

# *The* NATIONAL UNDERWRITER

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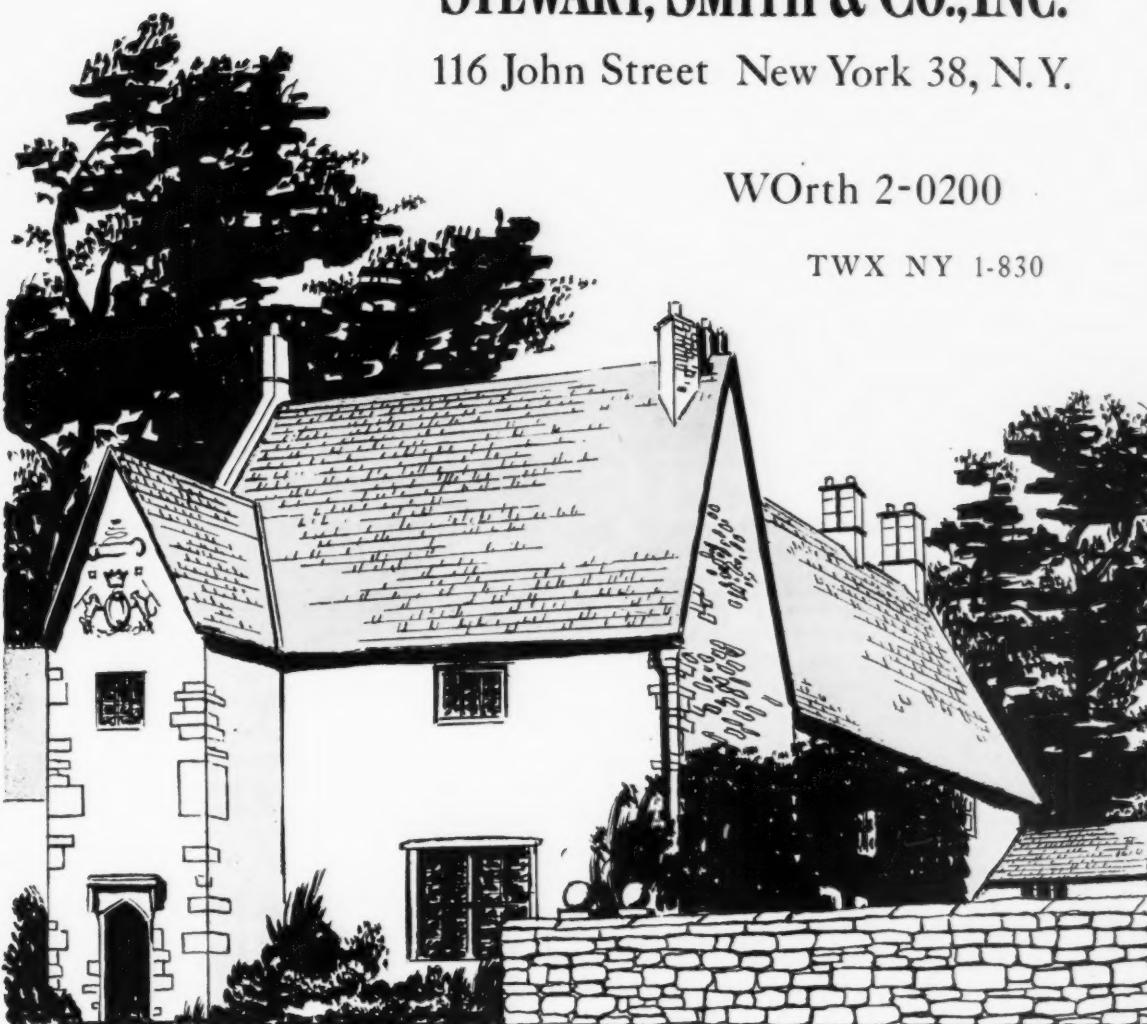
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**STEWART, SMITH & CO., INC.**

116 John Street New York 38, N.Y.

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■ SULGRAVE MANOR, the home of George Washington's ancestors, was bought by Laurence Washington from Henry VIII in 1539 and was sold by the Washington family in 1610. In 1914 it was bought by a Committee who vested its control in three Trustees, viz, the American Ambassador in London, the British Ambassador in Washington and the Regent of an American Association known as the Ladies of Mount Vernon. It is maintained as a well preserved example of an Elizabethan home. Both the house and the village Church have been enriched with relics of American

historical significance. In the spandrels of the porch of the Manor are three stars above two bars — the original stars and stripes — and above the porch window are the Royal Arms and the letters ER for Elizabeth who, it is believed, took refuge there from her sister Queen Mary — later she visited the house as Queen.

In the village of Sulgrave is the Washington Elm which grew from a shoot of the elm at Cambridge, Massachusetts where George Washington made his stand in 1775.

An artistic reproduction of this picture suitable for framing and without the advertising will be mailed on request.

THURSDAY, MAY 13, 1954

**"Cases on our books prove you should write life, too,"**



*Says Thomas C. Auld  
Thos. C. Auld & Co.  
Trenton, New Jersey*

"Life insurance means more earnings with less detail from present clients," states Tom Auld, a Continental representative for over fifteen years. "If we don't handle it, the other fellow will, and he may take our general insurance with the deal."

"Life also helps general lines. Many cases on our books prove the fact. The persistency of life business is better than general, and we are today receiving life renewals on general accounts long since gone elsewhere. I heartily recommend Continental, the most progressive company in the business."

• *Continental has "grown up" with general insurance men . . . become one of the "big 25" in record time largely because of them.*

**C A C**  
Your No. 1 choice  
for Life

*From this background and experience has come our full-line concept of insurance service. Close association has shaped our equipment, methods, underwriting and administration . . . making this truly your kind of a life company.*

**Continental Assurance Company**  
*Your kind of Life Company*

ONE OF THE CONTINENTAL COMPANIES, CHICAGO

Continental Assurance Company  
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I'm open-minded! Please send me your portfolio, *How a General Lines Man Writes Life Insurance.*

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... if you use the Royal's sensational Visual Sales Aid to push Earnings Insurance. This Sales Aid has been tested . . . it works . . . it builds enthusiasm . . . it SELLS. The more you use it, the more commission you make. Yes sir, Main Street of your town can give you \$81.16 commission a day and more if you use our unusual Visual Sales Aid. How about asking our fieldman about it, or you may write to . . .

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**Royal-Liverpool Insurance Group**  
150 William Street  
New York 38, New York

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COMPANY, LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • VIRGINIA FIRE & MARINE INSURANCE COMPANY

# The NATIONAL UNDERWRITER

The National Weekly Newspaper of Fire and Casualty Insurance

58th Year, No. 19  
May 13, 1954

## Interbureau Brings Out New Package Policy for Homes

### Four Named Peril Coverages Required to Earn 15% Discount

NEW YORK—The comprehensive dwelling policy, long the subject of discussion in the business, has been promulgated by Interbureau Insurance Advisory Group. It is expected to be filed shortly in New York and elsewhere. This is the divisible premium package for owner occupied dwellings of the one and two family size. In constructing the new package, several things have been done to policy elements, including the bringing together of related provisions of several coverages.

Four coverages are required if there is to be a discount, which amounts to about 15% over-all. The four coverages are fire and allied perils (similar to extended coverage and additional EC) on the dwelling and on contents, on-premises residence theft, and comprehensive personal liability.

Optional coverages are off-premises theft, specified articles coverages, a named peril off-premises inland marine personal property coverage, and accidental glass breakage for glass not insured as building items.

A minimum premium for the policy has been set at \$125 regardless of term. The application form and underwriting rules contemplate 80% insurance to value on dwelling and contents. This applies to existing insurance, plus coverage additionally purchased under Interbureau's pick up endorsement.

There is no recommendation as to commission.

There is no deductible in the basic form, though it is available by endorsement at a reduced rate.

Four cents is added for removal of the deductibles in the package other than wind. Heretofore AEC has been written only with a \$50 deductible except in Ohio and elsewhere to a minor degree by a few companies. In many states the differential between EC with deductible and full cover is also four cents.

The first page of the contract is set up on a one write basis. It contains a schedule for showing limits of liability, rate and premium for each of the coverages. It also has some declarations necessary to complete the casualty sections of the contract. The lower portion contains a section for identifying the attached forms and mortgagee information, then the statutory fire insuring agreement follows.

Coverage is granted by means of individual forms for each of the coverage groups. These forms are included in the basic policy by attachment. The basic policy is the statutory fire policy, the declaration page and the conditions page.

The fire coverage can be written for dwelling, specific outbuildings and (CONTINUED ON PAGE 27)

### AGENTS STIRRED UP

## Cal. Dwelling Rate Battle Breaks Into the Open

Circularization by an agent of North America in Marin county, Calif., of a letter addressed to homeowners advising them to switch their coverage in order to take advantage of North America's rate reductions and containing the statement: "You won't have to pay out any money and will receive a substantial cash refund" has produced a bitter reaction on the part of California Assn. of Insurance Agents.

George O. Johnson, president of the California association, addressed a recent meeting of Marin county association and said the agents are accepting the challenge. "The North America companies have chosen the weapons and Marin county as the battlefield," he declared. The agents are responding on behalf of the public, "all companies operating within the spirit of the California rate regulatory law, and producers."

North America on April 1 reduced dwelling fire rates 20% after withdrawing its membership on that class in Pacific Fire Rating Bureau. Accompanying this reduction was a cut in brokers commissions to a straight 15%, to 20% for policywriting agents, and there is a 5% additional and contingent commission to contract agents for extra service performed. Almost simultaneously, the rating bureau announced it was reducing dwelling rates 15% to 24%, or an average of 20% for frame construction and 30% for brick.

The California brokers have responded in their house organ with an article condemning the North America action of reducing commissions, and (CONTINUED ON PAGE 33)

## Home Promotes Peterson, Ely, and Several Others

Leonard Peterson has been advanced from vice-president and controller of Home to executive vice-president, Edwin H. Ely from assistant vice-president to vice-president in charge of the



Leonard Peterson



Edwin H. Ely

loss department, Carl Typermass from secretary and assistant controller to controller, J. Carter Cook from resident secretary at Charlotte, N. C., to secretary in the loss department at the home office, and Albert W. Holland, manager of the metropolitan and suburban marine department to assistant secretary.

Mr. Peterson, president of Western Underwriters Assn. and chairman of Inter-Regional Insurance Conference, has been with home 34 years. A graduate of Armour Institute, he began his career in the engineering and inspection field. He joined Home as a special agent in its improved risks department at Chicago, was later placed in charge of that department and in 1927 transferred to the head office as assistant manager, shortly becoming division underwriter of the western department. In 1934 he was elected assistant secretary and subsequently secretary and vice-president and secretary. In 1947 he became vice-president and controller (CONTINUED ON PAGE 33)

## Stevenson Takes La. Agents Helm at Annual Meeting

### Auto Deviations, Broad Dwelling Forms, New Orleans Suit, Major Topics

By JAMES C. O'CONNOR

Broad dwelling forms and automobile liability deviations were the major matters in the minds of Louisiana Assn. of Insurance Agents at the record-breaking annual meeting at Edgewater Park, Miss., last week. The registration of 513 was a new high, the gulf coast weather was perfect and both the business and the social sessions were well attended and approved. There was a loud round of applause when President R. A. Bolton, Alexandria, announced at the closing session Saturday that the executive committee had voted to return to the Edgewater Gulf hotel for the 1955 meeting.

Gibson Stevenson, Houma, was elected president. Head of the Duval-Whitney-Stevenson agency, he has been a wheelhorse of the Louisiana association for several years. E. A. Veillon, Eunice, moved into the vice-presidency and Harold Mouk, Monroe, started up the official ladder as secretary. Harold Boling, Lake Charles, was reelected state national director. There was not the slightest doubt that A. L. Smith, Baton Rouge, will be retained as manager.

E. D. Cassidy, Jennings, and Russell Dunham, Slidell, were newly elected to the executive committee and Felix Aucoin, Vacherie; W. D. White, Bossier City, and J. H. Pabody, Shreveport, were reelected. Holdover committeemen are I. T. Hart, Lake Charles; P. A. Jacobs, Alexandria; C. L. Rittenberg, New Orleans; W. H. Wright, Baton Rouge, and A. L. Schlesinger, Jr., New Orleans.

## Late News Bulletins . . .

### Allstate Approved for Fire in Two More States

Allstate's filings to write fire coverages on dwellings have been approved in Colorado and North Dakota. Previously the company's dwelling coverages had been approved in Illinois.

### Platts, Falvey Head Casualty Group

NEW YORK—At the annual meeting of Assn. of Casualty & Surety Cos. here Ralph H. Platts, president of Standard Accident, was elected president, succeeding Manning W. Heard of Hartford Accident. Wallace Falvey, president of Massachusetts Bonding, was elected vice-president.

J. Dewey Dorsett, general manager since 1944, was reelected, and Ray Murphy was reelected general counsel.

At the luncheon among those on the dais were Commissioners Wells of Indiana and Bohlinger of New York.

### Sees Auto Insurance Selling Streamlined

Through such plans as that of Fire & Casualty Co. of Connecticut in Florida, local agents can turn to modern merchandising of auto insurance, Richard E. Farrer, secretary of National Fire, told Casualty & Surety Assn. of Connecticut at a meeting in Hartford. Such merchandising includes cash with application, modest payments with short term policy periods, and streamlined methods and procedures to reduce handling costs, he said. Auto owners need not go to non-

(CONTINUED ON PAGE 28)

The Louisiana association voted to hold a mid-year meeting next fall at a convenient location, to be primarily a business meeting of one day. This is expected to answer complaints that Edgewater Park, in addition to being outside the state, is considerably removed from many Louisiana localities. Actually, the Louisiana association has the same problem as many other state associations—it has grown to the point that New Orleans is the only city in the state which can accommodate its annual meeting. Edgewater Park is as accessible to most agents as New Orleans and most members prefer the resort atmosphere for the meeting. The decision to hold a mid-year meeting also recognized that there are now so many important matters pending that it is desirable to have them discussed oftener than once a year.

The major automobile problem was the 25% deviation of State Farm Mu-

(CONTINUED ON PAGE 28)

## Dismiss Damage Suit of \$1 Million Against Kavanaugh

The \$1 million damage suit filed by Agents Group, Inc., the organization representing most of the agents of Pioneer Mutual Compensation in Colorado, against Commissioner Luke J. Kavanaugh of Colorado, has been dismissed in district court at Denver.

The dismissal order was made at the request of the agents and Leon L. Simonson, a former policyholder of Pioneer, who had brought the action charging that Mr. Kavanaugh and Melvin J. Snyder, former Colorado deputy, were responsible for the breakdown of the insurer.

All parties in the action agreed to the dismissal, Messrs. Kavanaugh and Snyder releasing Agents Group and Simonson "from the liability of every type and nature which may have ensued and resulted from the institution of this action." The dismissal request was a voluntary action on the part of the plaintiffs. Attorneys for Kavanaugh had asked dismissal on 10 grounds.

Pioneer Mutual is being liquidated. In Colorado, Richard Tull, Denver attorney, has been named receiver, but the policyholders, who are facing a \$2.2 million assessment, have gone to court to have the receivership in Colorado dismissed. At an open air meeting in Denver recently, 120 past and present policyholders set up a committee of 37 persons to organize a court fight against the assessment.

Commissioner Apodaca of New Mexico, who was appointed receiver of Pioneer on April 23, has been al-

lowed 30 days from May 2 in which to put the company's affairs in order, and after that claims will be accepted. The deadline for filing claims against Pioneer is Oct. 31.

Mr. Apodaca's report to the court listed assets of \$1,642,425, a figure which includes \$1,235,536, which the company hopes to collect under its assessment. Liabilities are at \$1,456,-

Mr. Apodaca said he expects all claims and all assessment payments to come to the home office at Albuquerque, despite the efforts in Colorado to keep the assessments there.

## Policy Fee Issue in Okla. Taken to Supreme Court

The companies affected by the ruling of Oklahoma Insurance Board abolishing membership and policy writing fees have petitioned the state Supreme court to resume original jurisdiction over the matter and grant a writ of prohibition against the board. The abolishment order has been suspended until the companies can be heard.

The supreme court has reversed the rights of all parties and ordered that the time for filing an appeal from the ruling shall not be deemed to commence until further order of the court.

The court actions were brought by State Farm Mutual Automobile, Farmers of Los Angeles, Great Central of Peoria, and Oklahoma Farm Bureau Mutual.

### Public Adjusters Issue Booklet

The National Assn. of Public Insurance Adjusters has put out a booklet entitled "The Profession of Public Insurance Adjusting," which is being distributed to any interested parties. Copies are available from the association at its headquarters at 1613 Muncey building, Baltimore.

## Insurance and Reinsurance

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Surplus lines • Excess lines  
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## First Action Taken to Activate Pacific Coast Rating Body

As a preliminary to setting up a statistical plan which would be used by Pacific Coast Advisory Assn., companies who plan to cooperate with this new organization have been sent a questionnaire as to the statistical plans they presently use for automobile lines.

After the results of this are in, it is anticipated there will be called a meeting of statisticians and accountants of the various companies, and it is intended that there be determined at this time how the company plans could be advantageously applied to arrive at a single association program.

The companies are asked to have the questionnaire filled out by the persons who will attend the statistical meeting, and the replies are to be addressed to Pacific Coast Advisory Assn., 12th floor, 3450 Wilshire boulevard, Los Angeles 5, Cal., attention J. A. Van Roo, (vice-president and comptroller of Pacific Indemnity).

The first section of the questionnaire asks what classification plans companies are now using: National Bureau for BI and PD, NAUA for comprehensive and collision, National Assn. of Independent Insurers for all lines, partial use of any of the plans, or any other plan.

The second section is intended to develop information for BI, PDL and medical payments by calendar quarters separately for private passenger cars, commercial cars (both non-fleet), and all others; to find out about exposure, written premiums, losses paid, expenses, number of claims, number and amount of outstanding losses semi-annually.

The question: Do you classify BI and PDL premiums by limits? is asked in a separate section, while the final section endeavors to obtain information on excess BI losses incurred separately for private passenger, commercial and other vehicles for prior years and for future years.

## Says Compulsory Auto Will Be Campaign Issue

Compulsory automobile will be made an issue in the New York gubernatorial election by Governor Dewey whether or not he runs for election, New York Senator John Hughes said in a speech at a Syracuse Press Club meeting.

Sen. Hughes said he opposed the compulsory auto bill because it would not work to reduce highway accidents. The only way to lessen accidents, he said, is by putting more patrolmen on the highways.

## Highlights of the Week's News

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## Big Spring Local Agent Is Now Texas Fire Commissioner

Mark Wentz, local agent at Big Spring, has been appointed Texas fire insurance commissioner by Governor Shivers to serve the remainder of the term of the late Paul H. Brown. Mr. Wentz will be in office until Feb. 10, 1955.

The new Texas fire commissioner is 57 years old. He is a native of Ogden, Ia., and graduated from Kansas State Agricultural college. He was in the oil business in Texas and later had an automobile agency and an investment business before becoming an agent in 1940. He has operated his own agency since 1942, and presently represents American Casualty, California, Camden, all companies in the General of Seattle group, Hanover, Houston Fire & Casualty, Ins. Co. of Texas, Massachusetts Bonding, Mercury, New Amsterdam Casualty, St. Louis-Washington Underwriters, Texas Casualty and Utah Home Fire. His son, Frank, is associated with him in the agency.

## Labor Sets Up Insurance Agency in Louisville

United Employees Insurance Agency has been opened at Louisville. This is evidently another move by J. A. McMahon, Jr., of Ins. Co. of Texas, who is said to be the principal in United Employees Agency of Little Rock. The Little Rock agency is run by the central trades council of AFL in that city and has as its main company Ins. Co. of Texas.

Three weeks ago it was understood Mr. McMahon had plans to set up an agency in Louisville, and later in St. Petersburg, with about eight other cities to follow.

## Mont. Blue Goose Meets

Montana Blue Goose Pond held its annual meeting in Great Falls. Preceding the meet, Montana Fire Underwriters Assn. had a conference to make plans for a town inspection of Bozeman later this month.

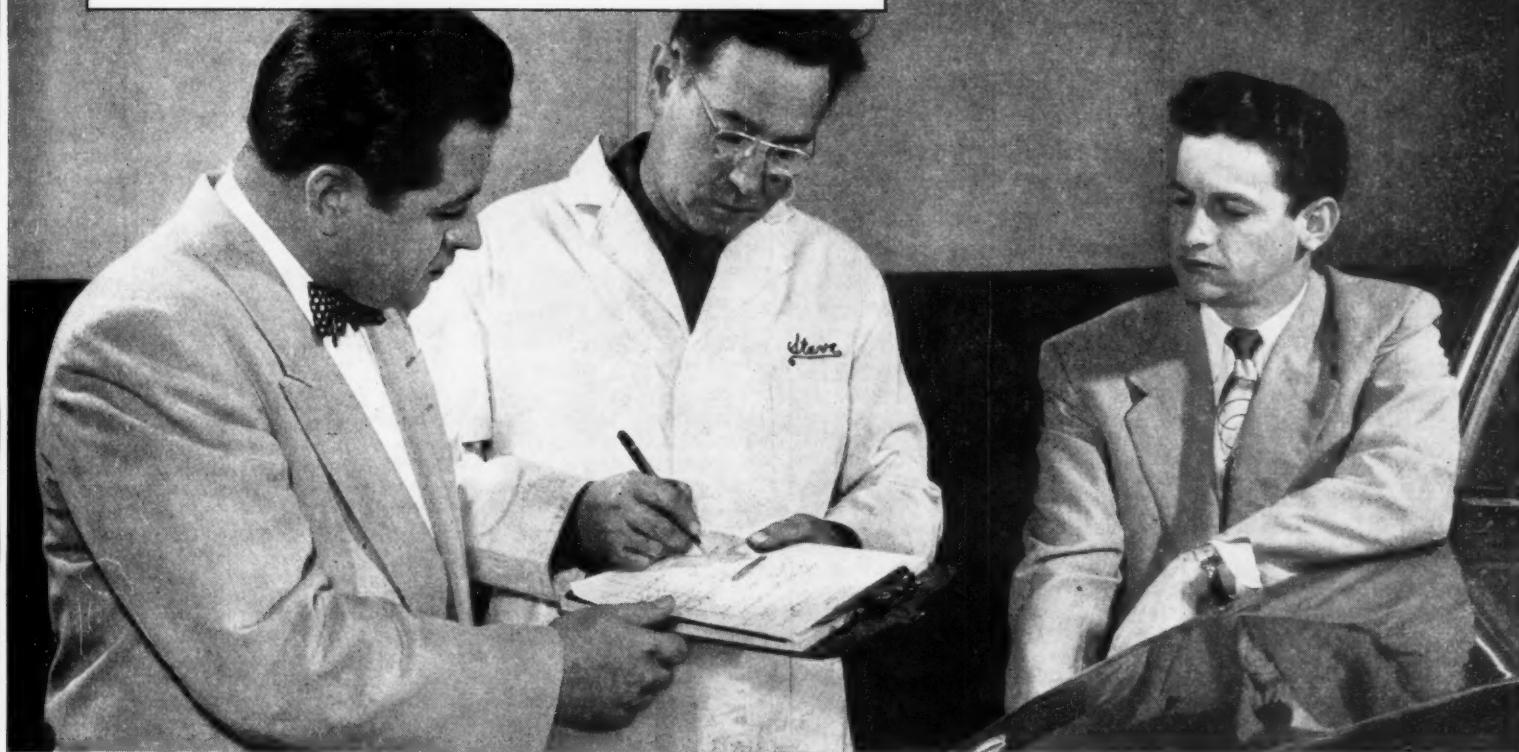
## Amer. Mutual Liability Buys 50 Railroad Cars for Leaseback

American Mutual Liability has invested \$500,000 in the purchase of 50 railroad cars for lease to the Southern railroad. This is thought to be the first investment of this type by a casualty company, although it is common in the life field.

## W. Va. Pond to Meet June 15

West Virginia Blue Goose will hold its annual meeting at Huntington June 15. Business sessions will be in the Hotel Frederick and the program includes golfing at Spring Valley country club.

## REPORT ON STATE FARM / Claim Service



**GETTING THE FACTS**, a local State Farm agent moves quickly to give friendly "on-the-spot" service. More than 7000 of them are trained and standing by to inspect damages, make preliminary reports, and lay the groundwork for fast handling by State Farm's full time salaried claim adjusters.



**FOLLOWING UP PROMPTLY**, an experienced company adjuster swings into action. More than 700 of them—supervised by more than 100 claim superintendents—work out of 330 strategically located offices.



**DELIVERING CHECKS PERSONALLY** gives agents the opportunity to visit policyholders in their homes. (When you also sell life and fire insurance, each contact of this kind can be of great future importance.)

## THEY THREW "THE BOOK" AWAY

HOW STATE FARM MUTUAL DEVELOPED ITS OWN STREAMLINED  
CLAIM HANDLING SYSTEM TO MEET ITS MEMBERS' NEEDS

Five years ago, when State Farm Mutual started to grow faster than any automobile insurance company ever had before, it faced a problem.

How could it make sure claim handling would stay "fast, fair and friendly"—keep pace with a growth rate of thousands of new members daily?

*The company decided to explore all possibilities, study every known claim handling technique and, if necessary, throw "the book" away . . . develop a brand new plan to meet State Farm's own unique situation. It did just that.*

After careful pre-testing against alternative plans, in several State Farm areas, the present claim service system was made company-wide in 1952. State Farm's force of full time salaried claim adjusters was greatly expanded. New men were strategically placed to make service even more quickly available to every State Farm agent and member.

Today agents receive initial accident reports, help speed repairs—make sure members get prompt and friendly attention. Expert company adjusters handle investigations, make prompt settlements—help fulfill State Farm's obligations to claimants and members.

*And this system really works!*

It's "fast." More than 90 percent of ordinary material damage claims are paid within 48 hours of receipt by an adjuster.

Policyholders say it's "fair and friendly," too. Each State Farm member who receives claim service gets an "after the fact" postcard questionnaire in the mail. Month after month, 98 percent of respondents report service is highly satisfactory. (And of course State Farm follows up promptly on the remaining 2 percent to find out if the trouble was misunderstanding or honest error.)

We think this willingness to pioneer new methods helps explain why more motorists insure their cars with State Farm Mutual than with any other company in the world.

*This is another in a series of advertisements to acquaint you with State Farm Mutual Automobile Insurance Company, Home Office: Bloomington, Illinois. If you want to know more about State Farm's Claim Service or the Company, simply write: "Director of Public Relations."*



*An Agent's Progress...*

IS BUILT UPON HIS  
REPUTATION FOR SERVICE

**R**ECOGNIZING the importance of our local agents in providing "service that counts" in their communities, the Royal Exchange Group maintains excellent facilities and renders outstanding co-operation to assist them.



Established in 1720 the Royal Exchange is one of the oldest and strongest insurance institutions in the world.

# Royal Exchange

Group

ROYAL EXCHANGE ASSURANCE  
Henry C. Pitot, United States Manager

PROVIDENT FIRE INSURANCE COMPANY  
THE STATE ASSURANCE COMPANY, LTD.  
CAR AND GENERAL INSURANCE CORP., LTD.

Representatives in Principal Cities and  
Towns of the United States and in Most  
Countries Throughout the World.

Fire & Casualty Insurance  
Fidelity & Surety Bonds

111 JOHN STREET  
NEW YORK



### American Equitable Assurance Company of New York

Organized 1918

### Globe & Republic Insurance Company of America

Established 1862

### Merchants and Manufacturers Insurance Company of New York

Organized 1849

### New York Fire Insurance Company

Incorporated 1832

### CORROON & REYNOLDS, INC.

MANAGER

92 William Street, New York 38, N. Y.

Losses paid exceed Three Hundred Fifty Million Dollars

## Pacific Fire Board Elects F. C. Beazley



New officers of the Pacific Board: From the left, J. C. Qualmann, Royal-Liverpool group, vice-president; Frank C. Beazley, Phoenix-Connecticut group, president; and Peyton Y. Alverson, Northern of London, governing committee chairman.

Frank C. Beazley, vice-president in charge of Pacific Coast operations for Phoenix-Connecticut group, was elected president of the Board of Fire Underwriters of the Pacific at the annual meeting in Santa Barbara. He succeeds Hugh S. Coburn, Boston-Old Colony group.

John C. Qualmann, assistant U. S. manager and vice-president of Royal-Liverpool group, was elected vice-president.

New members of the governing committee are William B. Miller, American of Newark; George Stroub, Home of New York; R. B. Masters, New Zealand group; Percy P. Lynch, Industrial Indemnity; F. J. Pelletier, Landis, Pelletier & Parrish; Malcolm Cravens, Cravens-Dargan; H. Clyde Edmund-

son, America Fore, and E. V. Oliver, Security group. Peyton Y. Alverson, Northern Assurance, was elected chairman of the committee.

Hugo Benioff, seismology professor at California Institute of Technology, reviewed procedure for the study and charting of earthquakes and illustrated his discussion with aerial photos of faults, and movement of land during quakes. He thanked the board for its financial contribution to earthquake research work at the institute.

Russell H. Archerd, comptroller in the Pacific coast department of the Pearl-American group discussed costs and competition. R. M. Beckwith, manager of the new Interregional Conference at New York, explained objectives of the conference.

### Program Ready for Miss. Agents May 20-22

The program of the annual convention of Mississippi Assn. of Insurance Agents, May 20-22 at Edgewater Park, will include the directors meeting, open to members, two days of discussions, a golf tournament and a seafood jamboree.

Commissioner Davis of Mississippi will talk May 21, Arthur M. O'Connell of Cincinnati, executive committeeman of NAIA on "The NAIA—Luxury or Necessity," and James M. Cahill of New York City, secretary of National Bureau, on "What's Ahead in Automobile Liability." On the second day there will be a movie, "The Inspection of Magnolia," sponsored by Mississippi Fieldmen's Assn., a discussion of business interruption loss by George B. Raine of Atlanta, assistant general manager southeastern department of General Adjustment Bureau; the government suit against New Orleans exchange by Philip James, New Orleans lawyer; errors and omissions coverage for agents by J. L. Ross of Jackson, state agent of St. Paul group; the modernized surplus or excess lines law by Homer Johnson of Starkville, who is associated with Leonhart & Co. general agency of Baltimore, and a report on legislation by Harris Holland of Columbus, vice-president of the association and chairman of the legislative committee.

### Eureka Casualty Men Feted

Eastern agents and executives of Eureka Casualty were honored at a dinner at Philadelphia. President J. V. Gosline presented awards and there was a panel discussion on current problems, with agents and executives participating.

### Royal Promotes Clarkson, Goble

Royal-Liverpool has appointed Hugh Clarkson assistant regional manager at Philadelphia and has named Elmer W. Goble, Jr., to succeed him as assistant superintendent of the New York office A&H department, effective May 17.

Mr. Clarkson has been with the Royal-Liverpool group for 17 years. His experience covers many phases of the business.

Mr. Goble joined the group in 1940 and has served in various underwriting and production capacities in the New York office and field.

### National Union Appoints Two Assistant Secretaries

J. H. Kronz and E. J. Renkey have been elected assistant secretaries of National Union group.

Mr. Kronz joined the group in 1929 in the automobile department and after service in the last war became manager of the southeastern marine department at Atlanta. He became manager of the home office brokerage department in 1953. Mr. Renkey began with the group in 1926 and as state agent established the Harrisburg office. In 1953 he was named agency superintendent in western Pennsylvania and West Virginia. He also is a veteran.

### Sloan & Irvine Expands

The Sloan & Irvine agency at Chattanooga has formed a new partnership composed of N. S. Sloan, J. B. Irvine, J. K. Woodworth, C. B. Shelton, Jr., and J. B. Irvine, Jr. The agency has established a life department headed by J. B. Irvine, Jr., who is a general agent of National Life of Vermont.

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## Text Given of A&H Code of Advertising Ethics Adopted by H&A Conference

Text of the new "ethical standards" for advertising as adopted by members of H&A Underwriters Conference, is given below. In a preface to the code, it is noted that insurers have a responsibility "to hold firmly the highest ethical and moral standards". The standards are directed to individually underwritten business, of which conference members write more than 50% of the total.

It is not intended that insurers should limit their advertising efforts or methods, the newly adopted code states, but it is intended that the spirit of the ethical standards should control the practices in advertising not directly considered by the standards in the code.

Advertising is defined as including printed and published advertising matter and descriptive literature used in newspapers, magazines, circulars, booklets, form letters, and radio and TV scripts.

The code sets up "basic ethical standards" as:

1. Advertising must be truthful in fact and in implication.

2. Advertising should not have the capacity and the tendency to mislead those to whom the appeal is being made.

The "special ethical standards" set up are:

1. Advertising which is likely to be seen or heard beyond the geographical limits of the insurer, as pertains to jurisdictional licensing, should indicate such limits. Direct mail insurers should indicate the base of their operations and carefully avoid implying "nation-wide" licensing.

2. Advertising should avoid the discrediting of competitors directly or indirectly.

3. No insurer's advertising of a policy or plan of insurance should tend to confuse those to whom the appeal is being made by the adoption or use of a name or symbol or both closely akin to one previously popularized by hospital or medical service associations.

4. The insurer should in all its advertising make its identity clear.

5. In advertising a particular policy or plan of insurance already in existence, expressions which imply it is an introductory offer or an initial offering to the public should be avoided.

6. In advertising a particular policy or plan of insurance, such expressions as "no medical examination required", should be avoided unless no health condition is considered in underwriting or unless it is made clear that a statement of health condition is required.

7. In advertising a particular plan or policy, there should be no implication that applicants become "group" or "quasi-group" members and as such enjoy special rates or underwriting privileges, unless such is the fact.

8. When details of benefits in a particular policy or plan are set forth, the insurer should indicate in good faith the limitations, restrictions, and exclusions relative to the policy or plan. In such advertisements, the insurer shall indicate that prior origin conditions are not compensable by the advertised policy or plan unless such is the fact.

9. In advertising a particular policy

or plan of insurance available to persons relatively young and relatively old alike, and/or a policy or plan wherein the premium is not subject to change, the insurer should carefully avoid implying that coverage would be continuous at the discretion of the insured throughout the age spread or premium paying period described unless the policy is noncancelable and guaranteed renewable for the indicated period.

10. When advertising any policy or plan or benefits contained therein, care should be exercised to avoid implying that the policy or plan is guaranteed renewable at the discretion of the insured, unless such is the fact.

11. The advertising of particular hospital or medical policies or plans shall indicate dollar limits of benefits where applicable, and time limits of benefits where applicable, in lieu of or in conjunction with descriptive words which might imply "full coverage" for all expenses normally related to hospitalization or medical care.

12. When advertising a policy or plan of insurance, an insurer should not use testimonials, or dollar amounts of claims paid, or numbers of persons covered, or similar statistics, unless such testimonials are genuine and such statistics are accurate, nor imply that such testimonials or statistics are derived from the policy or plan advertised unless such is the fact.

13. Dollar amounts used in advertising to indicate the benefit payments should be typical as to benefits covered, rather than unusual.

14. Limited benefits and limited policies should not be advertised as being comprehensive.

### Gold Rejects NAUA Formula in N. C.

Commissioner Gold has turned down North Carolina Fire Insurance Rating Bureau's filing which proposed to change the rate formula for auto physical damage coverages.

The bureau had filed the National Automobile Underwriters Assn.'s new formula as a proposed substitute for the 50-50 loss ratio now used. The NAUA plan, approved in 40 states, would have based rates on actual expenditures for losses and expenses plus 25% for commissions and 5% for profits and contingencies. It would also include a trend factor based on cost of living which would have increased rates \$360,000 for the coming year, and a change in weighing for the loss experience used as the rate base.

The filing proposing a new loss ratio would have resulted in an overall increase of approximately \$29,264 in physical damage rates, but for \$50 deductible collision, rates would have increased by \$652,231, or about 3.2%. Holders of \$100 deductible collision would have received a 15.8% decrease, amounting to \$341,734, and rates for commercial vehicles generally would have been reduced.

The filing was attacked sharply at a hearing by stock and mutual agents' associations, both contending that losses and expenses should be considered separately.

The commissioner, however, did not cite this as a factor in his decision. Instead, he noted that the rating formula was based on three years experience

"but does not include the experience of all companies writing auto physical damage insurance in North Carolina," NAUA explained this at the hearing by saying that the experience of mutuals and independents was compiled in such a manner it would not be integrated in the formula base.

Gold also called attention to the fact experience for the last six months of the three-year period had not been filed with his department "although it is used in the application of the proposed rate formula."

"The present rate making formula," he said, "has been in effect for many years and has proven satisfactory. The proposed rate formula is new and no experience has been developed under it in any state. To accept the new and untried in place of the old and satisfactory formula is a step which the department does not wish to take especially when proposed on experience of one statistical agency and without taking into consideration complete North Carolina experience."

### Casualty Society to Meet May 23-25

The spring meeting of Casualty Actuarial Society will be held at Lenox, Mass. May 23-25. The business meetings will be held Monday afternoon and Tuesday morning. There will be a Sunday evening social hour and buffet supper.

Seymour E. Smith of Travelers will give his presidential address and the research committee its formal preliminary report on electronics Monday afternoon. At the dinner meeting Monday Arthur D. Cronin of Kaler, Carney, Liffler & Co., Boston agency, will give "Observations of a Practical Insurance Man." Arthur Kuenkler of U. S. F. & G. will be emcee.

There will be two panels Tuesday morning, one on "Rate Regulation 10 Years After the SEUA Decision," moderated by Clarence Kulp of Wharton School and on "How to Live with Property Insurance Catastrophes," moderated by Winfield W. Greene, reinsurance intermediary, New York.

### Seventh Marine Definition Adopted by 32 States

Thirty-two states have adopted a seventh interpretation of the new nationwide marine definition, which was made following a query on the wording of "consisting principally of" as used in section E, subsection V, paragraphs 1, 2 and 3.

The question was, "What other types of property will be covered," for example, "under a camera dealers policy?" There has been an attempt to insure miscellaneous stocks under these permissible policies which are owned by dealers but are not even remotely connected to the principal stock. This merchandise is carried as sideline by the dealer and while in some cases small in quantity and value, there are other cases where this miscellaneous stock represents a sizeable value.

The committee on interpretation declared the sections were intended to include under the musical instruments, camera and furriers dealers policies coverage of some unrelated stock. The word "principally" as used here means "predominantly" and does not signify an amount barely in excess of 50%. Missouri has approved the interpretation with modifications.

Miss Irene Dickinson, Syracuse, has been elected president of Federation of New York State Insurance Women's Clubs. Others elected at the annual convention at Auburn were Miss Charlotte Lazier, Poughkeepsie, vice-president; Mrs. Louis Weiss, Schenectady, recording secretary; Miss Marie Sullivan, Syracuse, corresponding secretary, and Mrs. Alice Barber, Syracuse, treasurer.

## H & A Conference Adopts Code of Advertising Ethics

### New Orleans Meeting Is Notable for Affirmative Action Taken

The annual meeting last week at New Orleans of H. & A. Underwriters Conference was one of the most significant that organization has ever held. Of primary importance was the unanimous adoption of a code of ethical standards of advertising, which put conference members on the record in specific language as to how their product is to be presented. This was backed up with amendments to the constitution which give the executive committee power over accepting or terminating membership.

During a full day of executive session, the conference leaders announced plans to establish the Washington office and described the progress of co-ordinating the activities of the conference with Bureau of A. & H. Underwriters.

J. W. Scherr, Jr. of Inter-Ocean was named the new conference president to succeed H. Lewis Rietz, who was with Lincoln National during the meeting, but on Monday took up his new position as executive vice-president of Great Southern Life. Frank S. Vanderbrouk, Monarch Life, is the new executive committee chairman. Other officers are: 1st vice-president, Paul W. Watt, Washington National; 2nd vice-president, Theo P. Beasley, Republic National Life; secretary, J. Eugene Taylor, National Life & Accident (reelected). Named to the executive committee were H. J. Stewart, West Coast Life; G. N. Watson, Crown Life; J. W. Joannis, Hardware Mutual Casualty; A. J. Lindsley, Benefit Assn. of Railway Employees; N. J. Pilling, Zurich; Mr. Rietz, and T. A. Sick, Security Mutual Life of Lincoln.

The advertising code adopted by the conference is the first positive step taken by the A&H companies in many years to present as a public relations measure and as a standard for buyers something definite in the way of a guide.

Conference membership takes in all types of insurance companies operating practically every known distribution method. In order to spell out a code to which all companies could readily agree, the business standards committee, of which E. A. McCord of Illinois Mutual Casualty is chairman, spent several months going over the language and the principles, checking with mail order, life, casualty and specialty insurers. After it was read in its entirety by Mr. McCord to the membership, it was adopted by a rising vote of applause.

Prior to adopting the code, the conference adopted some amendments to the constitution. Jarvis Farley, chairman of the membership committee, explained that he had done very little in his job last year to bring in additional companies to the fold, concentrating instead on trying to set up standards for membership which would reflect the objectives of the conference. The "objects and pur-

(CONTINUED ON PAGE 32)

- LONG HAUL TRUCKS
- TAXICABS
- BUSES

All coverages

- EXCESS LIMITS

All Classes

- PRIMARY INSURANCE

Malpractice

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## Bohlinger Warns Welfare Plans Must Be Properly Managed

NEW YORK—Superintendent of Insurance Alfred J. Bohlinger has warned that workers will look to the government for welfare benefits if private plans fail to meet their obligations in the future.

Stressing the need for the establishment of comprehensive standards for the sound administration of union and employer-managed welfare funds, Mr. Bohlinger stated "If free enterprise is to be retained in the welfare field, our traditional American ingenuity will have to be called into play to solve the problems which now and in the future will confront voluntary welfare plans."

He addressed the annual conference on labor sponsored by New York University. He stated that employers are contributing about \$4 billion annually to employee-benefit plans in the United States. In New York alone, he said, more than 3 million persons have a stake in employee-welfare plans. Contributions to these plans come to about \$365 million annually.

Both self-administered union and employer welfare funds have been outside the jurisdiction of any state administrative authority though the administration of such plans involve complex insurance operations, he said. The beneficiaries of these plans "are entitled to protection against the danger of the plans' inability to meet their obligations... The sound administration and solvency of these plans," he emphasized, "is of vital concern to the workers of New York and of the nation."

There is a "notable absence" of any generally accepted standards which can serve as guides to responsible trustees who may be actuated by the best motives in their administration of employee benefit plans. A study being conducted by the department indicates the need for developing sound criteria covering critical phases of the operation of welfare plans and the delineation of the responsibilities and obligations of trustees.

Many of the abuses in the administration of union welfare funds uncovered by the department study could have been prevented by vigilance on the part of employer trustees. Their failure to fulfill the obligations of their trust has been a factor contributing to mal-administration of such funds. Management, in allowing the union in many instances to dominate the welfare funds, has frustrated the intent of the Taft-Hartley requirement for joint administration by union and employer trustees.

He noted the evidence of the development of improper practices by some insurers in soliciting and issuing group insurance contracts covering union welfare plans, including the payments of high level commissions to agents and brokers and so called administration fees to agents, brokers and third parties. These practices have been taken care of partially by legislation. The department is continuing its investigation and plans to recommend further legislation.

Excessive operating expenses are the exception and not the rule, he said. Operating expenses of union welfare and pension plans average less than 10% of contributions. But high expenses are incurred in a sufficiently

large number of instances to warrant concern that monies intended for the benefit of workers are being dissipated.

He said employers have an interest in good management of such funds since they may be called on to increase contributions to furnish benefits expected by employees. They should therefore actually participate in administering such funds.

Many funds purchase benefits from insurers. Premiums paid by union welfare plans to insurers for life and health insurance benefits amounted to 65% of the contribution received from employers in the case of those plans which purchased insurance for all or part of the benefits granted by them, the department's study showed. Insurers received almost \$152 million in premiums from union welfare plans operating in New York state 1949 to 1953 and paid out about \$126 million, or 84% of premium in benefit payment and dividends. This is an impressive record.

However, he said, the high average of benefit payments by insurers tended to conceal the poor performance of the few companies that were paying excessive commissions and fees.

Benefit payments by self-administered plans averaged 44% of contributions. This appears to stem not only from abuses but also from the not uncommon policy of continually adding a large percentage of each year's contributions to surplus. A reasonable surplus is fine but not at the expense of paying benefits in reasonable proportion to contributions currently being made by employers, he said.

About 55% of the firms responding to the insurance department's questionnaire reported that exclusive of union welfare plan benefits, they were providing employees with some form of life and health insurance including cash disability, hospital, medical and surgical benefits. For the most part these were insured plans.

## Ohio Claims Parley Set

Western Adjustment and the Ohio Fire Underwriters Assn. advisory committee will discuss casualty claims procedures in Ohio at a meeting June 7 in Columbus.

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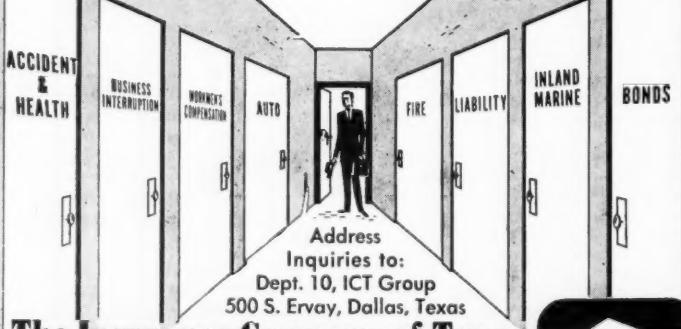
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## New York Agents Wind Up Successful Convention, Assay Many Serious Problems

SYRACUSE—The annual convention here of New York Assn. of Insurance Agents was characterized this year by an atmosphere of fraternity a degree more marked than usual. After the big battle to defeat compulsory automobile there was a general sense that all had been through a good deal together. Agents also recognize they still have plenty ahead to get through together—almost certainly more struggle with compulsory, increasing competition, and swift changes in product and procedure, all of which provides agents with a strong common bond.

As usual, the arrangements of the convention were expertly planned and executed, thanks to J. G. Mayer, executive secretary, John J. Jordan, assistant secretary, and the staff. More than 1,000 registered for the meeting.

A high point of the meeting each year is the presentation of presidential citations. Two of them were awarded at the banquet. Craig Thorn, Jr. of Hudson, the new treasurer of the association, was recognized for the fine job he has done on membership development, and a special citation was presented to A. C. Deisseroth of Syracuse in recognition of his legislative work, notably in the compulsory automobile fight. Another citation went to Lucius Leonard of Syracuse, the oldest past president of the association. He was the plaintiff in the famous Yonkers case early in the century which established the agent's ownership of expirations.

Insurance Agents Assn. of New Rochelle won the London Assurance public relations trophy. The trophy was presented by Fred C. Saal, agency manager of London Assurance, and was accepted for the association by William J. Lane, its past president. Dutchess county and Dunkirk associations won honorable mention.

Mr. Saal commented on the progress that business had made in its relations with the public. Insurance men and women no longer shy away from the public, no longer hold back basic information for fear of being misunderstood. They no longer disdain to use tested techniques for reaching out and explaining who they are, how they operate, and what they contribute to the economy. There is much yet to be done, but a start in the right direction has been made, he said.

George N. Duncan, who operates Continental Casualty's fire department, noted in his talk that the inclination today is for agents and companies to tell what is wrong with each other. Both are concerned with many serious problems. Yet the agent today has more product appeal to offer to customers and prospects, he is in a position to deliver a great many services to his clients, and Mr. Duncan does not believe he should fear the direct writer.

There is no question that the local agent must deliver those services. Many persons say they never see their agent. Direct writers would never have gained their present position if it had not been for the unqualified agent, he said. It will probably take another generation to get rid of him because of the grandfather clause in agency license laws.

It is suggested the company should quit paying agency expenses that the local agent himself is supposed to pay. Companies would like to do this, but they have fostered and encouraged them over the years and it would be

hard to stop now. Another suggestion is to allow agents to settle claims up to \$250 or some such figure. This would be fine and would help the local agent competitively, but a great many agents do not want to be bothered.

He did not minimize the competition of direct writers and noted that one of them has a lot of package policies under study right now. To meet this competition the local agent must perform the services about which he talks and above all keep in touch with the client.

C. Fred Ritter, Middletown, the new executive vice-president of the association, discussed public relations by agents. He said he thought that the state association's PR campaign last year probably had something to do with the fact that the industry now is going to make available to New York agents a strong public relations facility which the agents themselves will put into operation.

He said that one way of establishing good public relations is to take care of assigned risks properly. One such risk was assigned from his office to a mutual company. There was a small accident. Mr. Ritter wrote the company four times and the postmaster several times. (The accident involved a post office truck.) But there was no response. It has now reached a lawyer hiring stage. Mr. Ritter said in the interest of the business as a whole and

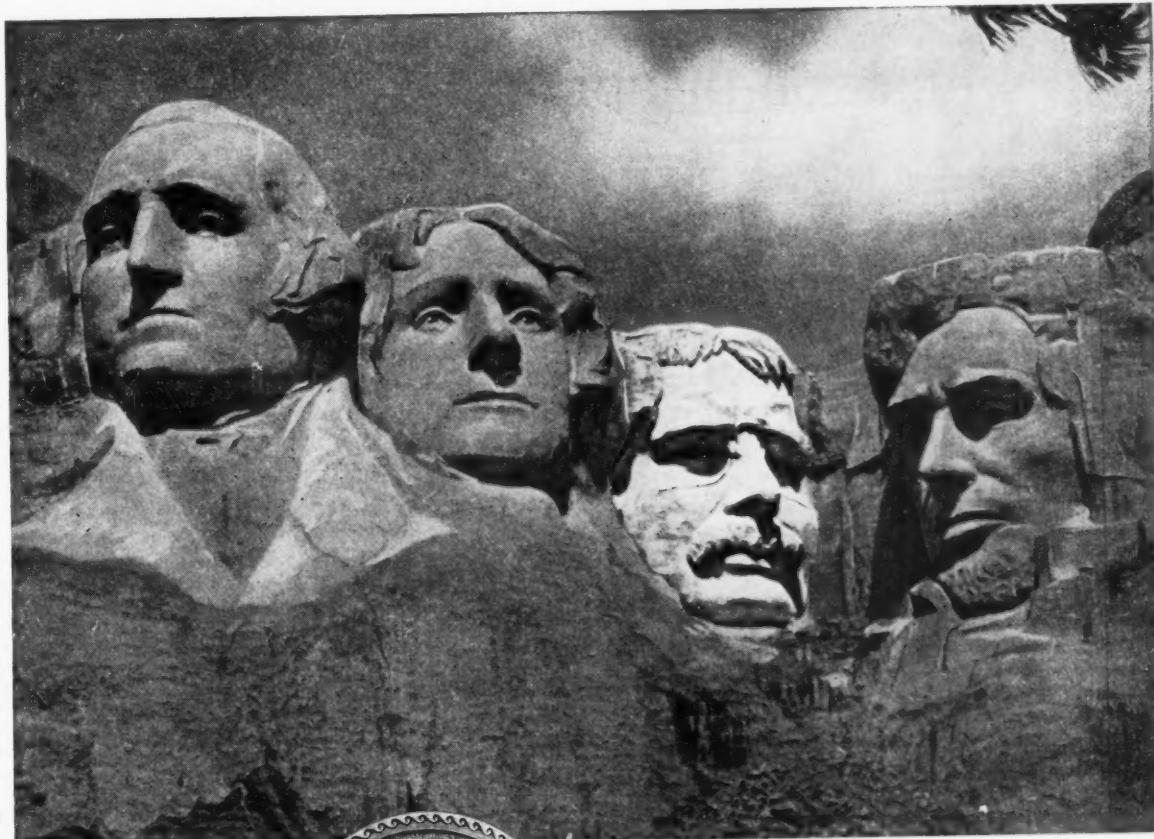
(CONTINUED ON PAGE 34)

An Advertisement similar to this appears in SATURDAY EVENING POST, May 1, and in NEWSWEEK, May 31

## Words of a Great American

*"Nine-tenths of wisdom  
is being wise in time."*

*Theodore Roosevelt*



**WISDOM**  
from the past...  
**STRENGTH**  
for the future



This great American group on Mt. Rushmore symbolizes wisdom from the past—strength for the future. The seal of the Great American Group of Insurance Companies conveys the same message. It is your guarantee of sound insurance—available through the 17,000 Great American agents or your own broker.

# Great American

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COMPANY PROTECTION

WORLD-WIDE FACILITIES FOR PRACTICALLY ALL FORMS OF INSURANCE EXCEPT LIFE

## Nichols Stresses Psychology's Value in Surety Claims

NEW YORK—The more the underwriter and claim attorney know about behavior patterns and emotional reactions the better will be their work, Henry W. Nichols, vice-president and general counsel of National Surety, told the Surety Underwriters Assn. of New York City at its monthly meeting. Mr. Nichols emphasized that the use

of psychology does not involve outsmarting a just claimant but merely means "making legitimate use of God-given tools to effect as much saving as possible to our company in money and good will."

The surety claim man has a fertile psychological field in which to work, said Mr. Nichols.

"He is compelled to deal with a contractor who has become very emotional and is not concerned at all with technicalities," he continued. "He must deal with architects and engineers who jealously guard their technical plans

and specifications. Then there are attorneys representing various parties whose job is to apply strictly the terms of the contract. In addition, there can be many others who have a bearing upon what the default will cost you, including government inspectors who are going to see that specifications are carried out in the minutest detail."

"To use psychology which will fuse these temperaments into a workable proposition is one of the most important jobs of the surety's representative. It should be, by far, the most interesting part of our work."

In working out any defaulted contract with the least loss to the surety company, Mr. Nichols emphasized that it is well to remember that unpleasantness and strife tend to block achievement of goals. There is never anything to be gained by antagonizing or abusing anyone connected with a defaulted contract and often there is much advantage in being sympathetic, friendly, and understanding.

It is necessary to use one's best judgment, which in turn is based on experience "but if one is not psychologically minded the intangible elements that motivate human relations may be overlooked with the result that the conclusion will be more costly to the surety than otherwise."

Mr. Nichols said the claim attorney should not be allowed to shift his responsibilities to the underwriter, though the latter should continue his interest in the case when there is a claim, without attempting to dominate the claim.

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A & H PLUS HOSPITALIZATION

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A sound A & H and Hospitalization-Medical Specialist Company—growing on a planned program based on dependable local agents backed by liberal claim settlement

- ★ GROUPS AS SMALL AS 5 MEMBERS
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- ★ NO BUSINESS WRITTEN DIRECT
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We'd like to tell you our story because we believe it can help us both as a team

Write Direct to:

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## Fire Association Shifts Va. Supervision

With the entry of Fire Assn. & Reliance into the casualty field in Virginia, the state will henceforth be supervised from Philadelphia and multiple line facilities will be available to the agents in the state. State Agent John C. Cole will continue in charge of the southern and central sections of the territory at his office, 1103 East Main street, Richmond, and State Agent William G. Lyon, 835 Woodward building, 733 Fifteenth street, N.W., Washington, D. C., will be in charge of the northern section.

William A. Berryman, trust officer of Mercantile Trust Co. of St. Louis, discussed trends in employee benefit plans at a luncheon of St. Louis Insured Members Conference.

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## LaPlaca to St. Louis

David S. LaPlaca has been appointed special agent for Atlantic Mutual and Centennial, with headquarters at St. Louis. He will assist Robert J. O'Rourke, who has charge of Missouri and southern Illinois territory. Before joining the Atlantic companies, Mr. LaPlaca was with Providence Washington as special agent in Michigan.

## N. H. Agents to Explore Effects of Ruling on Blanket

New Hampshire Assn. of Insurance Agents at its midyear meeting in Manchester discussed thoroughly the ruling by Attorney General Wyman that blanket insurance may be written under the state's valued policy law. Lloyd Greer, executive secretary, reported that the ruling was made as a result of a request to the commissioner by Factory Mutuals and supported by brief. The brief did not refer to the history of the valued policy law, he said.

The association has secured counsel who investigated the matter thoroughly. As a result counsel believes the ruling is probably not correct. There is a reasonable expectation that the ruling can be reversed.

Three courses of action are open to the association, Mr. Greer said: Attempt to get the ruling reversed, leave the ruling alone and try to add coinsurance, or leave matters as they stand and write blanket insurance with agreed amounts.

President John W. De Meritt of Exeter said that because of the legal factors involved the association might come to the point where it has little or no choice of action. He felt the executive committee should not be pinned down to one course of action. No vote was taken and the general opinion was that the association should not take a definite stand until New Hampshire board has obtained further legal advice and held further conferences with association officers.

The discussion indicated that New Hampshire agents are not against blanket insurance itself, but are fearful that it will be only the first breach of the valued policy law. Under the terms of Wyman's ruling, the state at present actually has in force an optional valued policy, because when blanket insurance is written insured must be instructed that he forfeits the right to have an amount established as the value of each building.

Membership currently is 232, highest in history, Mr. De Meritt said.

The association now is conducting a cost survey which should be of real help. Returns have been excellent, with more than 50 surveys returned to date. It is interesting to see the discrepancies in the amount of expenses between agents of about the same size. Results of the survey will be discussed at the September convention.

T. Winston Keating of Claremont discussed the need of having the office force continue the good impression made by the agent when he sold the policy. He then presented three speakers from outside the insurance business who discussed various aspects of office appearance and decorum.

### Feely Is Promoted

Charles A. Feely has been elected to the newly-created post of assistant underwriter of Tugboat Underwriters Syndicate, New York City. He has been in the syndicate's loss and underwriting departments.

### Wilcox Syndicate Ceases

London Lloyds underwriters whose business has been conducted under the agency of A. E. M. Wilcox have ceased to underwrite and are winding up their underwriting accounts. All the

underwriting liabilities of these underwriters will be paid in full. It is understood that the 15 underwriters decided to close out because of ocean marine hull and aviation losses. The underwriters will continue as members of other syndicates at Lloyds.

### Thomas Elected at Bellevue

Thornton Thomas has been named president of the recently organized Insurance Agent's Assn., of Bellevue, (Wash.). Frank Martin is vice-president; and Howard D. Vore, Jr., secretary-treasurer.

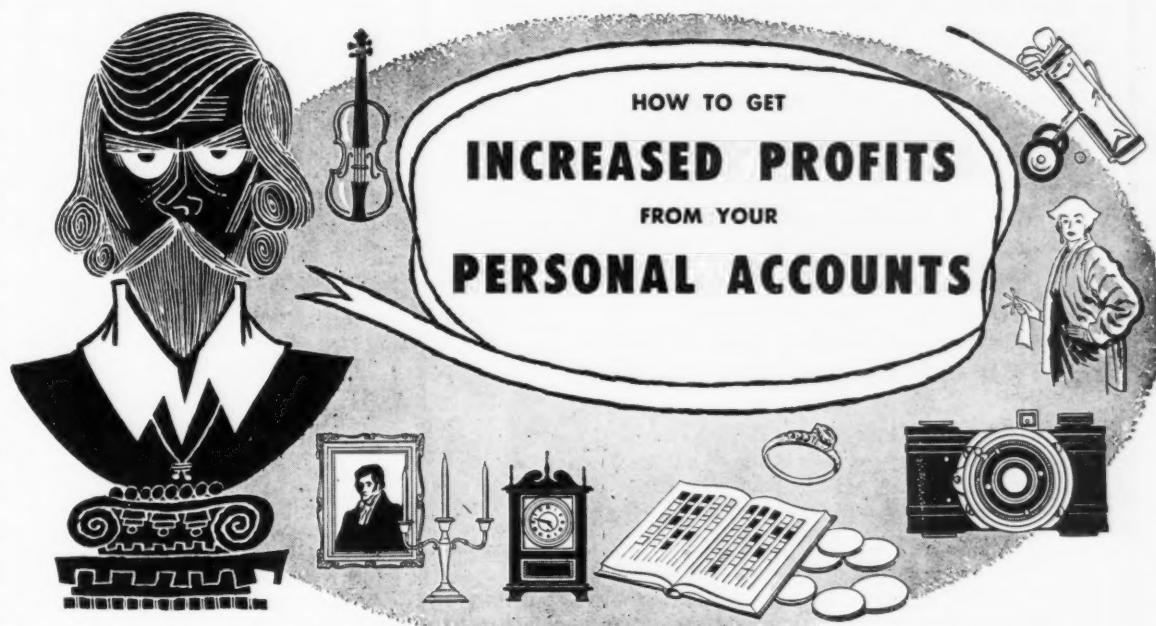
### Scott Vice-President for Inland Marine

American International Marine Agency, marine managing agents, New York City, has appointed Russell J. Scott vice-president of the newly-established inland marine department. With the creation of this department the agency now will write all classes of domestic inland marine business nation wide for American Home Assurance of Globe & Rutgers group.

Mr. Scott, in the business since 1937,

began with Travelers Fire at New York City as an underwriter in the inland marine department. In 1941 he was transferred to the home office and in 1946 returned to New York as assistant IM superintendent. He joined National Surety Marine in 1948 as metropolitan IM manager at New York and before going with A.I.M.A. was IM superintendent for that company.

Prudence Mutual Casualty of Chicago has moved to larger quarters at 407 South Dearborn street.



Many an agent has been discouraged from selling Inland Marine Insurance on his clients' personal articles because the commissions on the individual policies are often small. Few agents can sell Personal Property Floater to every client. Now there's an answer: the Personal Articles Floater.

It covers, in one policy for one premium, cameras and photographic equipment, fine arts and antiques, golfers' equipment, personal furs and jewelry, musical instruments, silverware, and stamp and coin collections. Most personal clients have two or more of these types of property. They should be covered by a practically all-risk policy — the Personal Articles Floater.

With this new form there's only one minimum premium — particularly important where one or

two of the classes involve only a few hundred dollars of value. From the policy-writing, book-keeping and billing standpoint, you're far better off with three or four of these covers in one policy. It can be written on a three-year basis for 2½ annual premiums if paid at one time, or with a very small carrying charge if written with three annual installment premiums. You needn't hunt so hard for prospects as with individual forms because a large proportion of all personal insureds are prospects. The Personal Articles Floater combines perfectly with either the new Home Owners Policy or Fire, Extended Coverage and Residence Theft on contents — and gives far broader protection on these articles than is possible in the home owners' or ordinary fire and residence theft forms.

### NEW, COMPLETE SELLING AND PROMOTION PLAN

We have just released a new issue of our Agency Sales Bulletin that tells what you need to know to promote and sell this attractive package-policy. There's a new, fully-illustrated three-color folder, a letter for prospects, some important suggestions on what to say in selling, and a new Inland Marine

Rate Guide that gives you in handy, pocket size the rates on practically all Inland Marine lines, including the eight types of insurance written under the Personal Articles Floater.

Get your copies of this new, profit-building material now. Simply fill in the coupon — no cost, obligation.



**SECURITY** INSURANCE COMPANY OF NEW HAVEN  
THE CONNECTICUT INDEMNITY COMPANY  
FIRE • MARINE • CASUALTY • BONDS  
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Please mail me, without cost or obligation, your new Agency Sales Bulletin on the Personal Articles Floater and your pocket-size Inland Marine Rate Guide.

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(Please Print)

AGENCY \_\_\_\_\_

STREET \_\_\_\_\_

TOWN or CITY \_\_\_\_\_

STATE \_\_\_\_\_



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LOCAL  
INSURANCE SERVICE

## Is Your Personality Showing?

**Don't be alarmed.** If an agency shows the personality of its owner it shows also that the agent is an active force in his business and usually in his community. This is to be desired.

The insurance agency business is a personal business, and every effort should be made to identify the owner's personality with it. Such identification vitalizes an agency and sets it apart from competitors. Your personality is unique to your particular business.

An agent who has a reputation for friendly helpfulness and genuine interest in the people and life of his community causes them to think favorably also of his business.

Many agencies owe their success in considerable measure to broadly presenting the owner, in many different forms of publicity and advertising, as the lifeblood of the business and the personal counselor of its customers.

The Commercial Union - Ocean Group believes that each of its seven Fire and two Casualty companies is a distinct personality to the agents who represent it. Each, however, bears the stamp of a Management of Integrity, Understanding and Vision, which characterizes our Group.

### Commercial Union Assurance Company Ltd.

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## Nat'l. Board Releases New Wind Damage Film

A film, "The Wind and the Fury", showing the effects of windstorms, particularly tornadoes, have on life and property, has been released by National Board.

The film was shot immediately after last year's tornadoes in Waco, Texas; Columbus, Ga., and Worcester, Mass. Scenes showing how communities have rebuilt were taken in these cities and also in Flint, Mich. A feature of the film is the narration, consisting primarily of voices of tornado survivors. J. Wendell Sether, manager of the board's public relations department, who did much of the photography, supervised the production.

"The Wind and the Fury" is available in black and white for TV stations and in color for schools, clubs and civic organizations. Requests for bookings may be made to Bureau of Communication Research, 13 East 37th street, New York City or, west of the Rockies, National Board, 465 California street, San Francisco.

## General Accident Opens Oregon Service Office

General Accident has opened an Oregon service office in Portland, under supervision of the northern California office in San Francisco. Carl V. Mautz, since 1939 claim manager in Portland, is manager.

Peter Shepherd has joined the office as special agent. He entered insurance in 1946 and has had experience as both claim adjuster and multiple line special agent.

## Des Moines Agencies Merge

Agencies operated by Wayne O. Dailey and Charles J. Smith have been merged under the name Allied Agencies, in Des Moines.

Mr. Dailey entered insurance in Des Moines in 1930 and Mr. Smith in 1934. Both attended Drake University. Mr. Smith is president of the Iowa CPCU Chapter.

## Jainson Hartford Speaker

Wilson C. Jainson, president of Hartford Accident, spoke on "The Statue of the Claims Man Today" at the meeting of Hartford County Adjusters' Assn. at Hartford. C. Lawton Fuhrmann was in charge.

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## Premium Volume of Security of Conn. at New High Level

Premium volume for 1953 of Security of New Haven was at a new high level of \$23,295,526, an increase from 1952 of \$1,268,709.

In commenting upon the results for the past year, President Peter J. Berry stated that the companies had a favorable underwriting experience in fire, marine and allied lines in the face of an all-time high in property destruction by fire in this country during the year. In the casualty operations automobile bodily injury and property damage losses maintained a high frequency and severity throughout the year with a result that these operations again produced a substantial loss in 1953, in common with the industry.

In fire and allied lines, the ratio of losses and loss expenses incurred to earned premiums was 49.8%, compared with 54.4% in 1952. The operating expense ratio of 43.0% of premiums written increased slightly from the previous year. In the casualty, fidelity and surety lines, the ratio of losses and loss expenses incurred in earned premiums was 49.8%, compared with 54.5% in 1952. The operating expense ratio of 43.0% of premiums written increased slightly from the previous year. In the casualty, fidelity and surety lines, the incurred losses earned premiums ratio was 69.4%, compared with 68.2% in 1952, and the operating expense ratio decreased to 41.4%.

The consolidated assets of the companies in the group increased to a net high of \$40,515,677. Policyholders surplus was \$11,088,269, an increase of \$863,271.

## North American Accident Names 2 General Agents

North American Accident of Chicago has appointed Clifford J. Potts and Peter DeShan general agents at Cincinnati and Philadelphia, respectively.

Mr. Potts formerly had previous insurance experience in Wisconsin, Mississippi and Georgia.

Mr. DeShan once worked with his father, a general agent for North American at Wilmington, Del. He is a navy veteran.

## Daniel Campion Retires

Daniel G. Campion, attorney in charge of the claim department of Aetna Casualty since 1925, has retired. He joined the company in 1912 as an adjuster at the Albany office and was transferred to Buffalo, Philadelphia and Springfield, Mass., before going to the home office.

## Ask Funds' Receiver in Del.

The Delaware court of chancery has been asked to name a receiver for \$35,000 in funds of Preferred Accident the defunct New York insurer, which are now being held by the state treasury. There are two or three claimants of Preferred Accident in Delaware, and the only way the liquidator, Superintendent Bohliger of the New York insurance department, could get the money released and the matter closed out was to ask that a receiver be appointed.

## New Cal. Disability Insurer

California Physicians Ins. Corp. of San Francisco has been licensed by the California department. Stock of the company is to be sold to California Physicians Service, a non-profit California organization which will operate the insurer to supplement benefits

it now offers with disability coverage. Capital is \$200,000 with a like amount of surplus. K. L. Hamman is president.

## Has 6-Month Auto Policy

Estate Ins. Co. of Los Angeles now is issuing six-month auto policies on a cash basis. Renewals are by certificate.

Bert W. Ludlow, representing Oklahoma Insurance Information Office, was guest speaker at a luncheon of the Ada Lions Club, talking on the traffic accident problem.

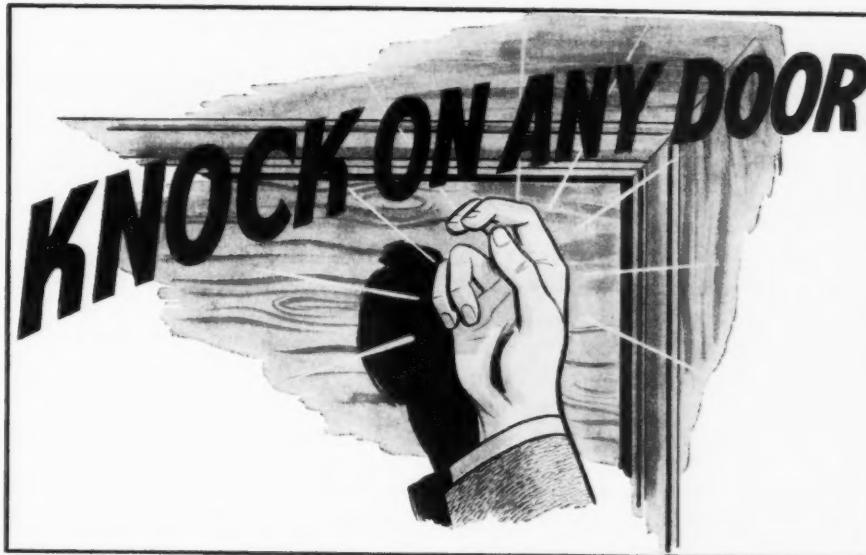
## Agenda Set for N. E. Agents Convention

The agenda of New England Assn. of Insurance Agents convention at Newcastle, N. H., June 6-8, includes two general sessions, sports contests, sightseeing tours and a dinner at which Norris Cotton, congressman from New Hampshire, will speak.

Lester S. Harvey, president of New Hampshire Fire, will talk on package policies; William J. Traynor, assistant secretary of North British, on profit-

able agency advertising; William E. Kollman, manager of James T. Stager, Ltd., Montreal, on the Canadian Agency system; William S. Youngman, Jr., president of C. V. Starr & Co., on foreign insurance, and L. E. Woodbury, Jr., Wilmington, N. C., executive committee man of NAIA, on selling in 1954. William W. Hatfield, Bridgeport, is chairman of the conference.

Paul Kolb, formerly with U.S.F. & G., has become a partner in the Jordon & Raithel agency at Jefferson City, Mo.



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Atlantic Companies  
Name Three at Syracuse

Atlantic companies have appointed three special agents at Syracuse. They are John H. Ives, who will handle fire and marine in eastern New York; Thomas G. Smith, casualty, central New York, and Donald J. Wafer, casualty, western New York.

Mr. Ives was with North America before joining the Atlantic companies. Mr. Smith formerly was a multiple line casualty underwriter with U.S.-F. & G. Mr. Wafer, with the companies since 1950, before his present appointment was in the metropolitan production department.

Manager at Syracuse is Matthew A. Donner.

Western Adjustment Has  
Course on Casualty Lines

A casualty adjusters' school was held last week by Western Adjustment and Inspection Company. Adjusters, representing 10 of the 13 states in which Western operates, attended.

The school was conducted under the supervision of J. G. Young, manager of the casualty division. M. M. Schulte and O. V. Ashley, casualty claims supervisors, and G. S. Corcoran, manager of the automobile department, assisted.

Workmen's compensation, garage liability, burglary, plate glass, public liability, garage keepers legal liability and automobile policies were thoroughly reviewed. Considerable time was spent discussing the laws pertaining to agency contracts, torts, and the use of the reservation of rights agreement. The balance of the agenda was comprised of lectures covering statement taking, the importance of pictures and diagrams, reports, releases and settlements.

Minn. Insurance Club  
Names Valine President

T. A. Valine, state agent, Phoenix-Connecticut group, Minneapolis, is the new president of Insurance Club of Minneapolis; Carroll E. Mavis, vice-president, and Clyde B. Helm, secretary-treasurer. Edward C. Arnold, retiring president, was elected a director for three years. At the final luncheon of the season, the members were taken on a mythical trip through the Minneapolis Grain Exchange by its secretary, George Wilkens. The program was sponsored by Edward F. Holloran, adjusted for Hartford Fire.

In recognition of his 25 years of service as district engineer of the Board of Fire Underwriters of the Pacific at San Francisco, Elmore C. Adams was honored by the board at a luncheon at which Loren S. Bush, chief engineer, presented a watch to him.

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TV Picture Tube Insurer  
Expands to Big Tubes

American General of Minneapolis, the company which last fall began writing TV picture tube insurance, has been encouraged by satisfactory loss experience to go into coverage on larger tubes. The company writes this coverage only in Minnesota, but there are plans to enter a number of other states in the middle west this year.

Premiums range from \$7.95 for tubes up to 12½ inches, to \$34.95 for 27 inch tubes.

Enforce Stiffer D. C. Law

Superintendent Jordan of District of Columbia is enforcing a revised section of his district's insurance law which requires applicants for agent or broker licenses to state whether or not they ever have been charged, convicted or arrested for any major offense.

Before revision, this part of the law required an applicant to list convictions only, but the superintendent felt this alone would not have satisfied him that the individual is "competent and trustworthy" in that he might be in a situation where he had been charged with a serious offense which had not as yet come to trial.

GAB Promotes Oschmann

General Adjustment Bureau has promoted Herbert V. Oschmann, formerly assistant casualty division manager in the eastern department, to manager of that department. He began in the business in 1930 with Zurich and in 1945 went with Preferred Accident as head office claims supervisor. He joined G.A.B. in 1948 as casualty staff consultant and was named to his most recent position in 1952.

A Service Guide A

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## Arkansas Legislators, Attorneys Dig into Insurance Studies

Results of an examination of the Arkansas Inspection & Rating Bureau and a preliminary survey of fire rates and profits in the state were presented last week at a joint meeting of the Arkansas legislative council's committee on corporations, insurance and banking with the insurance law committee of the state bar association in Little Rock.

M. J. Harrison, former insurance commissioner who heads the bar association committee, described Arkansas' insurance laws as "very backward".

"Our insurance code is piece-meal," Mr. Harrison said, adding also that "there are considerable conflicts in our laws." He said his committee favors asking the 1955 legislature to appropriate for a two-year study of Arkansas insurance laws to prepare a complete new code for submission to the 1957 legislature.

He reported the bar association committee is studying a proposal to change the underwriting profit section of the fire rating law to include the underwriting record of "all fire insurance business" as the basis of annual computations instead of the present basis of the previous five years' experience.

Marcus Holbrook, director of the legislative council's research staff, submitted two memoranda on the preliminary investigation of fire insurance rates, the accident and health business and workmen's compensation which was undertaken by the council following charges by Senator John Cloer of Springdale that the fire companies were earning excessive profits above the 5% allowed by law. The bar committee is cooperating in this inquiry.

The preliminary study, Mr. Holbrook reported, shows that the regulatory pattern for the rating bureau and fire business in Arkansas is typically that of practically all other states except California and Texas. Mr. Holbrook said the Arkansas fire rating law follows the "all-industry" National Assn. of Insurance Commissioners' bill with only two exceptions, both of which make the Arkansas law more rigid.

The Arkansas bureau was represented at the meeting by James. I. Teague, counsel, and J. L. Shaver, associate counsel, former lieutenant governor and president of the bar association. Members of the bar committee include: Commissioner Combs; A. F. House, Robert S. Lindsey, and Verne McMillen, Little Rock; Ned Stewart, Texarkana; F. G. Bridges, Jr., Forrest City; Charles F. Frierson, Jonesboro, and Cecil Warner, Fort Smith.

Research Director Holbrook presented statistics which showed that Arkansas had the second highest fire loss ratio, 39.5%, among 16 southern and midwestern states for 1948 through 1952. Mississippi had the highest ratio with 46.3%.

The statistics also showed that Arkansas was third highest in EC experience, 60%, for the same period, surpassed only by Colorado with 94.5% and Kansas with 73.3%. The legislative council research staff will continue its investigations and is expected to make a final report next month.

The report on the examination of the inspection and rating bureau was

presented by L. R. Mangold, senior examiner for F. M. Speakman, Philadelphia consulting actuary, who made the study for the insurance department. The examination covered 1949 through 1953.

The 86-page report describes the bureau's organization, authority of its governing and advisory committees, and the workings of its five departments for rating, engineering, auditing, fire prevention and printing and supplies. The bureau has 153 member stock companies, 34 stock company

subscribers, 32 mutual subscribers and 7 reciprocal subscribers.

The report shows that the audit division is auditing nearly 600,000 daily reports annually and last year reported 34,784 violations, only 25 of which had to be reported to the commissioner for non-compliance within the 60-day period allowed by law for making corrections.

In generalizing, Examiner Mangold stated "the bureau has undergone considerable expansion of its functions. Its activities are expected to increase

in detail in number and in importance. Despite the pressure on its personnel and facilities due to employment problems, increased activities and insufficiency of office space it appears that it has managed to operate to advantage in its particular sphere."

The examination produced no specific recommendations except for a suggestion that the bureau might conduct informal discussion groups with agents "to assist them in understanding the proper use of forms, rates, rules, practice and procedures of the bureau."

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Mr. William F. Grandy (left), partner in the Grandy-Pratt Co., Sioux City, Iowa, talks over an insurance problem with T. J. Vierling, Fire Association-Reliance Fieldman for Iowa. Says Mr. Grandy: "Willingness to help is one thing, and capability is another. I find that Mr. Vierling has a pretty healthy allotment of both, and that's unusual. He's a definite asset to our agency, and we're glad he's on our team."

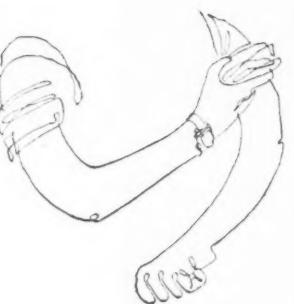


Shown here with Mr. Duane Warrick (left), Fire Association-Reliance Fieldman for Iowa, is Mr. H. G. Lohmiller, Senior partner in the Waterman and Lohmiller Agency, Davenport, Iowa. This revealing comment from Mr. Lohmiller: "Duane's considerable field experience, and his knowledge of our particular territory are important to us in any number of ways. Then, too, his willingness to meet with us and our clients and help clear away some of the technical waters is of immense value."

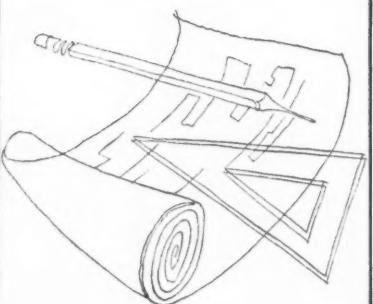
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## Mutual Claim Men Cover Wide Field

More than 100 claims executives attended the annual three-day mutual claims conference at Detroit, sponsored by National Assn. of Automotive Mutual Insurance Companies and National Assn. of Mutual Casualty Companies.

Principal speaker was John R. Kitch, president of Security Mutual Casualty, who said the public is more interested in claim payments than advertising and that just claim handling includes careful and logical explanation of the value placed on a claim. Thomas W. Wassell, Texas Employers, outlined the work in public education concerning negligence claims being conducted in Texas under company sponsorship. Mr. Wassell was general chairman of the conference.

Other speakers and topics included: Harry Foster, Utica Mutual, coverage in general liability policies; James P. Allen, Jr., Liberty Mutual, value of pre-trial procedures to ease congested court calendars; William L. Dutton, Iowa National Mutual, liability beyond policy limits; Joseph R. Pfiffner, Hardware Mutual Casualty, discovery under the rules of federal procedure; Herbert L. Bloom, 2nd vice-president Lumbermen's Mutual Casualty, problems and hazards of securing court bonds for liability policyholders.

Also, Paul S. Wise, American Mutual Alliance, unsatisfied judgment funds; Kenneth S. Hawkes, vice-president Northwestern Mutual, and Leroy

W. Fieting, Hardware Mutual Casualty, standard automobile policy coverage and claim questions; Dr. Jerome R. Cox, Jr., Liberty Mutual, industrial loss of hearing; Carl W. Kroening, Employers Mutual Liability, claim department operational problems; John S. Hamilton, Jr., American Mutual Alliance, reporting of negligence cases, and J. Stannard Baker and Gerald O'Connell, Northwestern university traffic institute, investigation of automobile accidents from a scientific viewpoint.

Panels discussed programs of Casualty Insurance Claims Managers Council, the nation-wide inter-company arbitration agreement and the independent automobile damage appraisal program. There has been a rapid growth in arbitration between casualty companies, resulting in improved claim investigations and reports.

## Windshield Pitting Claims Not Heavy

The odd things that are happening to windshields of automobiles over the country have intrigued those in the business, particularly underwriters, as a newspaper phenomenon but not as a matter of underwriting concern. Underwriters from the outset had no doubts that the auto PHD insurers would pay for the losses under the comprehensive cover. As T. A. Long, executive vice-president of National of Hartford, pointed out in a statement carried by the wire services to newspapers over the country, such losses are covered under the PHD contract.

Underwriters report they are receiving only a few of the claims that received such spectacular treatment in the press. In proportion to other glass claims, the mysteriously damaged windshields do not amount to much.

What the insurance people are serious about are the potential costs of glass replacement as a result of the wrap-around windshields and the plexiglass domes. The wrap-around windshield costs \$145 to replace, compared with \$20 or so for some of the older style, split windshields.

Automobile repair men, commenting on the several "disintegrating" rear windows that were reported in the east after the mystery damage in the Pacific northwest, said that is the way such glass is supposed to break or break up because of its safety construction. So far as is known, there have been in the east no multiple pitting or circular rippling of windshields.

A round-up of companies so far reporting claims shows that while there have been some made on the west coast—where the damage was reported heaviest—and a few in the middle west, very few of them have reached the notice of top-level company officials. They have simply been paid and certainly have not reached a proportion to be considered alarming.

At least one company, however, has issued instructions to the field to get completely detailed information on any mysterious windshield pitting claims and if possible have the customer hold off on repairs until a study can be made. In this way extra claims, as well as inconvenience to the customer can be obviated, since if there is really "something in the air", replacing the glass will not remedy the situation.

Senders Insurance agency, one of Albany's oldest local agencies, having been located at the corner of First and Washington for over the past 50 years, has been purchased by the Raymond Fisher agency of 110 West Second street, Albany, (Ore.).



At Waco, Tex., Leon Thompson and his daughter peer through the rear window of his automobile. Mr. Thompson said his window was all right in the morning, but late in the afternoon it was mottled. When he touched it the glass crumbled into tiny pieces.



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## So. California Brokers Hold Spring Meeting

LOS ANGELES—Discussion by a panel of three speakers of the new commercial property floater policy was the feature of the annual spring dinner of the southern California branch of Insurance Brokers Exchange of California, with more than 150 members and guests in attendance.

Robert Higginbotham, who presided over the panel, made it clear that this multiple line type of policy is an opportunity favorable to the insured, is here to stay, and that problems concerning it are sure to come up, because of the newness of the policy.

John Rossi, marine manager of the Boston, said that the policy combines three kinds of policies, pointed out the types of risks insured under its terms and those not insured, mentioned the deductible feature, declared that it did not take away anything from the public, but combined all the other policies into one.

Roy L. Regale, marine manager of Standard Marine, discussed handling of the eligibility of insured in respect to buying the policy. He held the eligibility hinged on two classifications, the risks the marine and inland marine insurers wanted to write and the risks that brokers and agents wanted written. He declared that the coverage was written long ago by marine and inland marine underwriters; that in those days the fire insurers could not handle it, but that the marine men did; declared that at the time all classes of business were written by marine companies, but not by fire, and cited approximately 20 classes that can be written. He said the new policy is a simplification of the insurance problems of insured; that it called for one premium with payment either in cash or on a reasonable basis, and that it gives a better spread of the risks. He pointed out that efforts to sell the coverage should be concentrated on the large buyer.

Richard V. Eastman, marine department Atlantic Mutual, with rates as the part of the discussion, held that the underwriters must learn how to measure the risks and in so doing arrive at a proper premium. He pointed out that the loss ratio, as in all lines, holds a prominent place in arriving at the answer. He also declared that factors now unknown may cause a change in setting up the rates. He said that a proper fire rate is the basic factor in reaching a conclusion. Two methods of evaluating the risk, he averred, existed, the schedule method and survey of the individual risk. He enumerated 10 factors that entered into the picture. He said the method of payment of the premium could be worked out with the insured, mentioning the monthly reporting form and the annual settlement plan.

## Md. Cas. on N. J. Road Job

Maryland Casualty is surety on the largest single contract ever to be offered by the New Jersey highway department. The job, bid at \$7,804,829, calls for grading and approach work for the new Delaware river bridge between Gloucester, N. J., and Philadelphia.

## Liberty Mutual Accident Tips

Liberty Mutual has published a comic book for truck drivers which lists steps to be followed in case of an accident. The "Case of the Accused Driver" was prepared by the com-

pany's motor transport bureau with the cooperation of American Trucking Assn. The way the driver handles himself in an accident is of primary importance, the booklet says, adding: "Whereas trucks comprise 17% of all vehicle registrations they are involved in only 13% of accidents, although they are on the roads a great deal more."

## Curtis Not Going into Fire, Casualty Taxes

Rep. Curtis of Missouri, chairman of the House ways and means subcommittee on life company taxation, states that the subcommittee does not contemplate going into insurance fields outside of life except as those fields are of collateral interest to life insurance, such as A&H and related lines which life companies write.

There was some apprehension that Rep. Curtis planned to expand the scope of the subcommittee to fire and casualty. Fire is not in the picture at all, he states.

John R. Lewis and Frank W. Cawthon, Jr., have merged their agencies at Dallas under the name Lewis & Cawthon.

## Says Doctors Can Help Cut Insurance Claims

Doctors should take the initiative in minimizing health insurance claims by eliminating unnecessary hospital services without jeopardizing the patient's welfare, Dr. Joseph A. Elliott, president of North Carolina Medical Society, told his society's annual convention at Pinehurst.

There has been considerable abuse of hospital insurance by doctors, hospitals and patients, he said, especially with respect to x-ray, laboratory and luxury services. This remark was similar to that made recently by the president of the Tennessee Medical Assn.

Dr. Elliott urged his society to actively protect the public against loopholes in health insurance plans. In the many forms of insurance available are some shortcomings which are not readily detectable by the public, he said.

## Aviation War Risk Held Up

The government's proposed aviation war risk program apparently will remain inactive for some time in view

of failure to provide the necessary funds in appropriation legislation recently passed. Congress authorized the program two years ago but has never provided funds for its administration. Department of Commerce developed plans for the insurance program, which the airlines want put into effect.

## Provident Fire Opens Office in Richmond

Provident Fire of the Royal Exchange group has opened a new Virginia field office at Richmond under the supervision of Special Agent H. Tracy Bronson, formerly with the company at Raleigh, N. C. He will continue to represent Provident Fire, Exchange Underwriters and Car & General in Virginia.

## America Fore Concert

The 80 members of America Fore choir group presented their annual spring concert and dance in the grand ballroom of Hotel Pierre, New York City. More than 600 attended and heard a program of semi-classical and popular music.

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**Schnese New Head  
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Workshop Sessions**

Alvin Schnese, statistician of North American Accident, was elected president of Insurance Accounting and Statistical Assn. succeeding A. H. Benson, auditor of Lumbermens Mutual of Ohio, at the annual conference at Dallas. About 1,000 representatives of the 603 member companies attended.

Other officers are J. B. Clancy of Royal-Liverpool, Leilyn Cox of Employers Mutual Liability, Paul Judah of Business Mens' Assurance, Paul Otteson of Federated Mutual Implement & Hardware, G. W. Thompson of Acacia Mutual Life, Rodney Wilcox, Connecticut General Life, vice-presidents; Charles Andrew of Jefferson Standard Life, William D. Babcock, Jr. of Keystone Automobile Club Casualty, Carl S. Jones of Indiana Lumbermens Mutual and Ernest McCandless of United Benefit Life, directors.

More than 100 small workshops on life, fire, casualty and accident and health made up the convention. The publication of the association's textbook, "Insurance Accounting—Fire & Casualty", was announced. It is available from *The Spectator*, 56th and Chestnut streets, Philadelphia.

**Uto Connecticut Manager  
for Kemper Companies**

Kemper group has named Albert A. Uto Connecticut manager. Succeeding him as district agency supervisor at New Haven is Arthur H. Johnson, formerly supervisor of the New Haven claim office. Mr. Uto started with the Kemper organization in 1940 as claim adjuster and later served as district agency supervisor in Massachusetts.

**Elect Gavin at Fort Worth**

James Gavin of Shield Life has been elected president of Fort Worth A&H Assn. Other officers are: Vice-president, William Martin, Employers Casualty; secretary, Madolin H. Williams, American Hospital & Life, and treasurer, George Barton, Southland Life.

**32 Agents Attend School**

Thirty-two agents and solicitors received certificates at Buckeye Union's 20th semi-annual agents school at Columbus, O. John A. Dodd, executive vice-president, gave instruction on fire and allied lines and S. W. Schellenger, superintendent of agencies, instructed on casualty forms.

**Planet Promotes Hight**

John L. Hight has been made chief underwriter for fire and marine at the Detroit branch of Planet. He became an underwriter in 1947.

**N. M. Claims Men Elect Beasley**

New officers of New Mexico Claim Men's Assn. are Oscar H. Beasley of Hartford Accident, president; William Hellend of Lyle Adjustment, vice-president; and Don Bingham of Zener Adjustment, secretary. Pat Sheehan of Kealey State agency, retiring president, was in charge of the meeting at Albuquerque.

**New Name Is United Pacific Corp.**

United National Corp., the parent company of United Pacific and Pacific Northwest Casualty, changed its name this week to United Pacific Corp. The 9-story insurance building in Seattle which has been owned by United National since 1951 will on June 1 become United Pacific building. United Pacific Corp. owns approximately

98½% of United Pacific and all of Pacific Northwest Co., an investment securities firm.

**Southern Cal. Surety Men Meet**

Surety Underwriters Assn. of Southern California at its May meeting discussed mandatory bonds for executors of estates, referring the subject to a committee for study. The association voted to reactivate its speakers bureau.

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## Jones Tells K.C. Sales Congress Changes Needed

Maybe rigor mortis hasn't set in, but it will take a jolt to revive the vanishing American salesman who grew up in the youth of the United States and seems to have been killed off by prolonged prosperity, Morton T. Jones, president of Kansas City Fire & Marine and managing director R. B. Jones & Sons, said at the annual sales congress of Casualty & Surety Underwriters Assn. of Kansas City. Defining "selling" as the process of persuading a person to buy goods and services, he indicated "this type of salesman is dead."

"I think one of the basic troubles has been that our product has become so technical, and there are so many policies available for sale, that the old-fashioned salesman, agent or field man has had to forget that he is a salesman and become a technician," he added.

He said the agents and companies have been giving considerable thought to the problems confronting the American Agency System today and that it is basically a problem of distribution. He also opined that insurance business needs some drastic changes and suggested:

"A tremendous reduction in company overhead. Just trying to keep track of the dailies that are used by so many departments, is, in itself, an unsolved bottleneck. There must be some way of making the internal systems of insurance companies simpler and more streamlined. Over the years we have piled bureau on bureau and the insurance departments have grown in size and prestige, so that it becomes a tremendous financial task just to keep all the statistics and make all of the reports which are required."

"Almost all our policies have a number of exclusions which are sound, but maybe they cost more to explain and create more sales resistance than they save in losses. I doubt if a loss man or adjuster was ever called in to help design a new policy or cover. He knows that many exclusions must be waived in adjustments. So, why build up sales resistance by putting them in policies?"

"We should all pitch in and work for a good sound agency qualification law. Also, it is imperative that we work out a better coordination of salesmanship between agents and company. In many forms of insurance the company will have to move closer to the assured. We must remove any fear and distrust between the company and the agent. In addition to having salable policies, we must make them more available to the public."

At the first of two panel sessions in the morning, E. C. Owen, manager of Fidelity & Casualty was moderator; participants were L. A. Bitters, manager, Anchor Casualty; Howard N. Fullington, Dulaney, Johnston & Priest, Wichita; Joseph Jackson, Jr., president Missouri Assn. of Insurance Agents, and H. E. Morrow of Mann, Kerdolff, Kline & Welsh.

On the subject of competition of



M. T. Jones

direct writers, Mr. Jackson suggested that they be dealt with through taxation. The panel also criticized the limits written by direct writers and the termination procedure for six-month policies. Recognition was given, however, to the fact that a one-third differential in premium made for stiff competition.

A. M. Battistini, manager of Hartford Accident, Pittsburgh, Pa., speaking on "diversified selling", outlined the advantages to be gained by selling more than just obvious coverages, mentioning in particular diversified selling of 3-D policies, comprehensive covers, bonds and similar less-well-sold lines.

The panel following Mr. Battistini's talk was moderated by A. H. Hawes, vice-president, Speed-Warner. Frank H. Tormoen, partner Thomas McGee & Sons, emphasized the effectiveness of survey selling as a means of adding substantial premium volume to an agency; Hoyt S. Nelson, Hoyt Nelson agency, advised that by paying attention to building of good will among the employees of commercial accounts, a good deal of additional business could be picked up and that many agents concentrate on the business lines and

neglect the premium potential of the employees; Wesley Martolf, associate manager of U. S. F. & G., sketched the usefulness of the 3-D policy as a means of giving broad coverage in a simplified form, and George W. Dyer, vice-president Central Surety & Ins. Corp., lauded the advent of multiple line underwriting and the renewed vigor of the American Agency System.

J. R. McWilliams, assistant manager of the automobile division of National Bureau of Casualty Underwriters, was also a morning speaker and discussed "The Automobile Situation."

In the afternoon session, a detailed account of how coverage outside the United States might be placed by American agents was given by George W. Lutton, resident manager of mid-western operations, American International Underwriters Agency, Inc. Mr. Jones spoke on "Death of a Salesman," and Elmer Wheeler, lecturer, sales consultant and author of books on tested selling methods, presented his method of putting the "sizzle" into salesmanship.

The luncheon speaker was J. C. Penney, founder and board chairman

of the company bearing his name. Among the guests were Superintendent of Missouri and Commissioner Sullivan of Kansas.

## FR Law of Texas Is Upheld in Test Case

Texas and federal courts have ruled that the state acted properly in suspending the driver's license of James D. Gillespie because he had an accident but no insurance and did not meet the requirements of the financial responsibility law in Texas. The case was brought by D. C. Gillespie, the father, and in it he charged that he was not responsible for actions of a minor son, and that suspension of the right to drive on the public highways amounted to depriving him of private property without due process of law.

The Supreme Court denied certiorari in the case, which means that the decisions of the lower courts stands.

The House committee on interstate and foreign commerce has released a 700-page study, *Health and Maternity Insurance Throughout the World*, which deals with the principal legislative provisions in this field in 48 countries. Carl H. Farman of the Department of HEW prepared it.

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## Four Claims Seminars for American Surety

NEW YORK—American Surety is holding a series of regional conferences for its claims managers this month and next at Chicago, San Francisco, Atlanta and New York to discuss services and procedures.

Meetings will last three or four days and will be attended by the following from the home office: William E. McKell, 1st vice-president, George M. Morrison, manager casualty claim department, C. C. Maher, manager claim department, R. J. Elliott, field claim superintendent, and Alanson R. Fredricks, assistant general counsel. President A. F. Lafrentz will be the opening speaker at the New York City conference.

## Dividend Problem for Multiple Line Insurers

Multiple line companies operating in New York may be faced with conflicts when they wish to declare dividends because of a statute which requires domestic casualty companies,

but not fire companies, to obtain approval from the insurance superintendent before they can declare dividends.

Andre F. Pouy, associate examiner in the casualty section of New York Insurance Department's property bureau, speaking at the in-service training program for examiners, emphasized that the problem is not academic since some multiple line companies which write both classes of insurance are actually issuing dividends. The department is considering the question in its study of problems incidental to multiple line underwriting to determine the need for a statutory amendment, he said.

### Threshermen's in New Home

Threshermen's Mutual has moved into its new home office building at 50 North Portland street in Fond du Lac, Wis. The building, constructed and furnished at a cost of \$135,000, is designed to permit addition of a second story.

### Casualty Accountants to Meet

Assn. of Casualty Accountants & Statisticians of New York will hold its spring conference June 7-9 at Skytop, Pa.

## Kerr Proposes Cure for Highway Accidents

Insurance people should take the lead in a program to reduce motor vehicle accidents through education of the public to meet and deal with violators, G. L. Kerr, vice-president of America Fore, told the annual convention of Louisiana Assn. of Insurance Agents at Edgewater Gulf, Miss.

Declaring that "horsepower was safer when only horses had it" and that construction of super-highways resulted in the "super crack-up", Mr. Kerr pressed for immediate action to enforce: Ample state and municipal police, organized, trained and directed to promote uniform law enforcement; universal adoption of the uniform vehicle code, including the driver license law; impartial enforcement by, and complete cooperation of, the courts with emphasis on revocations and suspensions; universal application of modern traffic engineering principles to traffic control; regulation of pedestrian traffic; periodic motor vehicle inspection, and absolute refusal to license the unfit.

The problem of motor vehicle accidents, apparent to all, is being tackled the wrong way, he said. He charged that apathy toward traffic death tolls adds up to a sanction of them and that efforts to curb these deaths miss fire due to a misdirected emphasis. Deaths in locked iceboxes, in plane crashes, or from polio, make headlines across the nation whereas automobile fatalities, which outnumber all three, go almost unnoticed.

## New Hampshire Splits Illinois, Names Riss

New Hampshire group has divided its Illinois field, formerly under the sole supervision of State Agent C. M. Wilcox, and has appointed Harold L. Riss, Jr. state agent in the newly-designated northern and west central field. Mr. Wilcox will have charge of the east central and southern field. They will share offices at Bloomington.

The Hargrave & Hargrave Insurance Agency, general and life insurance, of La Porte, Ind., has moved to its own building at 1200 Michigan avenue.

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## Fire and Casualty Insurance

### COMMENTS - TRENDS - OBSERVATIONS

#### Reviews Some Provisions of Proposed New Tax Code of Significance to Agents

The proposed changes in the revenue revision bill of 1954, HR 8300, which are of general or specific interest to agents are being discussed in considerable detail this week at the regional meetings of Wisconsin Assn. of Insurance Agents by George S. Hanson, associate counsel of NAIA.

Section 462, it is believed, will permit agencies accounting on an accrual basis to take an annual deduction for estimated future expenses including returns of commissions, in somewhat the same manner as a reserve for bad debts may be established under the present law. The section provides that an accrual taxpayer may take into account in computing taxable income a reasonable addition to a reserve for estimated expenses.

Based on his experience, the agent would be allowed to set aside an amount in the year the commissions are earned which reflects the amount he may reasonably be expected to repay on account of cancellations in a later year. This will prevent the agency taxpayer's income from all falling in one year and his deductions in another, Mr. Hanson commented.

It thus appears that the stumbling block of *Brown vs Helvering*, which has plagued many agencies for 20 years, has been effectively removed. For many agencies this will mean a substantial alleviation of inequities which may result under present tax law.

An alternative section available to accrual taxpayers who do not want to use 462 is 452 which provides a special method of taxing prepaid income which allows income received in one year which relates to services to be performed in the future to be prorated over the life of such obligation to perform services. Considerable technical and legal difficulties must be overcome for agencies to take advantage of this section, he said. The exact definition of liability of the agent to render service may be a stumbling block for agencies generally, though it is believed a strong case can be made for inclusion of many agencies under the terms of the definition.

It appears to be the prevailing belief of internal revenue authorities that under a strict interpretation of the agent's contract with his companies he is not absolutely bound in a legal sense to furnish specific services over the life of a policy. There is a heavy practical obligation and it is a matter of good business practice for the agent to perform such services. But internal revenue service seems to believe that in the absence of a liability on the

agent to render future service under contractual terms spelled out in a more legally obligatory form the agent cannot qualify under this section. However, it is still believed some agencies, if they desire to use the section, could present a strong case for relief.

Since relief under 452 dealing with spread of prepaid income can be had only if the taxpayer elects not to use 462 dealing with a reserve for estimates expenses, most agencies may prefer the more definite treatment under 462.

Mr. Hanson pointed out that the precedent for present tax treatment of insurance agency commissions is *Brown vs Helvering*, decided in 1934. A San Francisco agency observed that from experience over the course of previous years the percentage of future return commissions could be estimated with accuracy. It attempted to set aside such a portion of commissions as a reserve to be taken out periodically as the funds became earned during the term of the policy. The decision in the case was that the agent could not do this and he was not allowed to prorate commissions as income over the life of the policies.

The inequitable effects stemming from this decision affect all size agen-

cies. NAIA asked relief of the House ways and means committee. In all cases where the term rule is involved the agent is subject to a potential distortion of his tax liability under present law. Developments in the business since 1934 have contributed to the possibility of such tax distortion. Some of these developments are:

Extension of the term rule to large manufacturing, mercantile and mining risks within the past 15 years; growth of business interruption insurance on large risks, which was not a significant factor in 1934, and the need of reviewing such policies, which are usually written for terms up to five years, to determine if coverage needs to be altered in amount, which may mean return commissions by agents; accelerated competition, especially for large risks, which subjects the business to transfer from one agency to another and leaves one owing return commission; rate reductions, which call for return commissions, and new forms of coverage, which may lead to cancellation and rewriting of existing policies; and the introduction in the past two years of the principle of no reduction in insurance because of loss. The policyholder who suffers a total loss during the term of a policy will often cancel it, creating a return commission situation.

The new tax code contains many revisions relating to partners and partnerships and also has an impact on the usual problems connected with corporations, Mr. Hanson pointed out. After adoption of the code, agencies

(CONTINUED ON PAGE 30)

#### Gallagher Points Up Need, Bargain of MP

More than 75% of all Florida citizens carry no accident insurance of any kind. They never have, and probably never will, E. J. Gallagher of Travelers has written in *The Insurance Agent*, publication of Florida Assn. of Insurance Agents.

Less than 10% of all Florida citizens carry any accident insurance worthy of the name, he goes on. They never have and probably never will.

What causes the worst accidents? The automobile.

What causes the most expensive accidents? The automobile.

What causes the greatest number of serious accidents? The automobile.

The vast majority of policyholders and their families will never be approached by anyone and asked to buy accident insurance. Some couldn't get it anyway. Others wouldn't keep it up if they bought it. And the agent couldn't afford to mess with it as an individual item at a \$6 or \$7 premium.

But in a package policy it becomes a good proposition for both the agent and insured.

Take the case of the carpenter earning \$60 per week or better:

A \$1,000 medical would cost, for him, \$42.92; his wife, \$16; young son, \$19; young daughter, \$16. Grand total annual premium: \$93.92. He won't buy it.

But he can get the largest part of it covered, with extended medical payments, for \$6 except in Dade and Duval counties (Fla.) where it will run a dollar more for the family.

What happens to these people when they get badly hurt in an automobile accident and have to go to the hospital?

Well, for one thing, they don't get welcomed with open arms.

Secondly, they wind up in the office of a loan shark before they get out of the hole, if ever!

The agent will be doing every insured a big favor if he adds extended medical payments to their policy right now. Remember, there is only one premium charge regardless of the number of cars in insured's name.

#### Insurance Men Give 2,067 Pints of Blood

The fifth annual insurance blood bank in New York City resulted in 2,067 pints for the Red Cross. William Hicks, treasurer of Assn. of Casualty & Surety Cos., was chairman and others directing the take were Vincent O'Brien of New York Board, Albert E. Mezey of New York City Agents Assn., G. H. Ort of Insurance Brokers Assn., Mrs. John F. Purcell of American Red Cross, G. W. Tisdale of Commercial Union, Cameron Toole of Travelers, Walter U. Westcott of America Fore and T. Morgan Williams of Home.



The windshield of this late model automobile mysteriously crystallized while it was parked on the street in New York City. Story on page 10.

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- REPLACEMENT COST (ANY SITE)
- BUSINESS INTERRUPTION
- BURGLARY, Interior, Exterior Robbery
- OVERAGE ACCIDENT
- ERRORS AND OMISSIONS
- HIGH LIMIT EXCESS Public Liability, Property Damage, Products
- HULL, P AND I, EXCESS CARGO
- PILOT, EXECUTIVE TRAVEL ACCIDENT

### ALL UNUSUAL RISKS

533 S. Dearborn Street, Chicago 5, Illinois

Cable Enghur—Chicago

## National Board Offers New Salvage Handbook

National Board has published a new edition of its handbook on fire department salvage operations designed to help reduce property damage caused by water, smoke and other elements.

Directions for care, maintenance and handling of salvage covers and discussion of essential salvage operations in connection with fire department activities are included in the 62-page book, along with suggestions to business men for proper storage of merchandise with an eye toward possible salvage work.

The book points out that merchants with no knowledge of salvage operations often arrange their stock and fixtures with little or no regard to the seriousness of water loss in event of fire. A fundamental understanding of fire department methods would result in their arranging goods along a definite plan with the problems of salvage in mind. Following a fire, insurance companies could then start cover work without losing valuable time in preparing the contents of a room or building for proper covering.

This knowledge serves a like purpose when careless tenants allow sinks or other plumbing fixtures to overflow or allow roof drains to clog or roofs to leak during severe rains and winter thaws. The information is equally handy in case sewers back up from heavy rains or become clogged.

The text of the handbook was prepared by Frank C. McAuliffe, chief of Chicago Fire Insurance Patrol.

## Cal. Rules Out Special Auto Dividend Treatment

SAN FRANCISCO—Preferential dividend treatment, set forth in a "side agreement" supplementing an automobile policy, is illegal, the California attorney-general has ruled, citing the section of the law to the effect that an agent "shall not offer or pay, directly or indirectly, as an inducement to enter into an insurance contract, any valuable consideration which is not clearly specified... in the policy." Commissioner Maloney asked for the opinion.

## Mitchell Opens Chicago Agency

Mark J. Mitchell, Jr., has formed the Mark J. Mitchell & Co. agency at 166 West Jackson boulevard, Chicago. Mr. Mitchell, a broker there for 15 years, has been with the Naghten & Co. and McGowan agencies.

## Georgia OKs 7-Class Plan

Mutual Insurance Rating Bureau's seven-classification system has been approved in Georgia. The system applies to policies written to become effective between March 1 and May 10, 1954. This makes 24 states and District of Columbia in which the plan has been approved.

## Eureka Casualty Names Two

New officers of Eureka Casualty are Thomas Fisher, Jr., secretary, and Edward J. Doyle, treasurer and assistant secretary. Mr. Fisher replaces C. A. Kline, who has resigned.

State Farm Mutual Auto and Fire & Casualty companies Milwaukee county district agency, under the direction of F. J. Holton, has been moved from 4957 W. Fond du Lac avenue to larger quarters in the new Bay Shore shopping center, 5856 N. Port Washington road, north of the Milwaukee city limits.

Virginia Mutual of Richmond will construct a \$204,318 home office building, to be completed within seven to eight months.

## Shale in N. J. Post for Employers Group

John H. Shale, Jr., has been appointed assistant resident manager for the northern New Jersey department of the Employers group. He joined the group in 1934 as a casualty underwriter. After army service he resumed in 1949 and has been a senior underwriter.

## FTC to Hold Hearings on Extinguisher Code

WASHINGTON—The federal trade commission has scheduled hearings for May 21 on the proposed revision of trade practice rules for the fire extinguisher industry. Proposed rules deal with misrepresentation and deception in selling, disclosure of limitations and warning of hazards, use of the word "free," false and misleading price quotations, etc., substitution of products, deceptive use of trade names, trade-marks, etc., misrepresentation of business and products, imitation of trade-marks, obtaining of competitors' confidential information, enticing away competitors' employes, defamation of competitors, false disparagement of their products, commercial bribery, unfair threats of infringement suits, selling below cost, inducing breach of contract, prohibited forms of trade restraints, such as unlawful price-fixing, prohibited discrimination in prices, brokerage, commissions, advertising and promotional allowances, discriminatory services or facilities, inducing or receiving price discrimination, and aiding or abetting use of unfair trade practices.

## Correction on American Plan Corp. Insurers

The statement in the recent story dealing with the opening of American Plan Corp.'s new offices in New York, that American Plan represents Globe & Rutgers, was incorrect and THE NATIONAL UNDERWRITER regrets the error. American Plan Corp. represents American Fidelity & Casualty and American Fidelity Fire.

## Buyers to Hear NFPA Man

New York chapter of National Insurance Buyers Assn. will hear a talk on major fire losses May 27 by Chester I. Babcock, manager of the department of fire record of National Fire Protection Assn. The address, "The Lessons to be Learned from the 1953 Large Loss Fire Experience", will be illustrated with slides.

## Wash. Agents to Hold Regional

Washington Assn. of Insurance Agents will hold a southwestern Washington regional meeting at Chehalis, June 11. There will be a 10:00 a.m. session of the executive committee, with all members invited to attend, followed by luncheon and an open forum. William R. Lee, Chehalis, is handling the arrangements locally.

## N. Y. Youth Need Work Permits

A campaign has been started by New York department of labor to acquaint teen-agers with the need to obtain working papers before starting summer jobs. If a youth does not have working papers when hired, the employer is subject to double liability on workmen's compensation.

Ohio's secretary of state has granted charters to six insurance agencies of Cleveland, all incorporated by Samuel D. Katz, Ben C. Green and Carol E. Stone. The agencies are Barron, Marbury, Hawthorne, Knox, Kemp, and Doran.

The Seattle Blanket Club held its annual stag party. Robert Young, Dawson & Feek, was chairman.

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May 13, 1954

## Mail Order A&H Group to Meet at Omaha, May 20

Assn. of Insurance Advertisers, the mail order A&H organization, will have its annual convention this year at Omaha on May 20.

There will be sessions during the day and at the dinner the speaker will be Robert R. Sills, attorney with the federal trade commission, whose subject will be "The Scope of the Federal Trade Commission Insurance Investigation." He will discuss the current FTC survey of all A&H companies. The association is inviting all interested A&H people to hear Mr. Sills' address.

Following the meeting, on May 21, there will be a special seminar on the FTC advertising rules for personnel in the advertising departments of member companies. This session will be conducted by Wendell Berge and Alvis Layne, attorneys of the association, who have specialized in interpretation of the rules.

## L. Irving McKay Retires from Mich. Field Post

L. Irving McKay, Michigan state agent of Northern of London, and a veteran of 47 years in the insurance business, has retired.

Mr. McKay has been in the field in most of the states east of the Mississippi River. For 28 years he has been with Northern. He started in 1907 as a special agent for A. G. Hancock, Baltimore general agency. In 1919 he went with Detroit National Fire, and three years later became Wayne county manager of National Union. He started with Northern as Wayne county manager in 1926.

Mr. McKay is a past-president of Michigan Fire Underwriters Assn., and was instrumental in activating its public relations work when it was introduced some years ago. He is a past most loyal gander of Michigan Blue Goose and is a member of the Society of Life Members of Fire Underwriters Assn. of the Northwest.

Mr. McKay's son, Lawrence, Jr., is a local agent at Birmingham, Mich., and Mr. McKay intends to be associated with him.

## Am. Auto Promotes Knapp

James F. Knapp has been named underwriting supervisor for fire and marine at the head office of American Automobile. He will serve as chief underwriter. Mr. Knapp has been in the business for 25 years, starting with Hartford Fire in Chicago. In 1942 he joined Secured F. & M. as fire and marine manager.

## Sampson Added Starter

W. W. Sampson, manager of South-eastern Underwriters Assn., has been added to the program of Georgia Assn. of Insurance Agents annual, May 19-21. Mr. Sampson will discuss the new earnings insurance. He spoke on that subject at the Alabama agents meeting.

## GAB Names Three in West

General Adjustment Bureau has set up an office at Moses Lake, Wash., with Robert A. Forrest in charge. He

has been resident adjuster there since March.

William R. Kinney, who has been manager at San Bernadino, Cal., since 1951 has been transferred by G.A.B. to Los Angeles where he joins the senior staff. He has been with G.A.B. since 1948 and before that was with Western Adjustment. The new manager at San Bernadino is Robert R. Hullin, who has been at Sacramento, and who has been with G.A.B. since 1948.

## American-Associated Names Yost at Chicago

Charles T. Yost has been named office and personnel manager of American-Associated at Chicago to replace Fred M. Colburn, who has retired. Mr. Yost has been with the company some 10 years as office manager in New York City and Hartford, and before that had previous insurance experience. While at Hartford he was president of Hartford Assn. of Office Managers and will transfer his affiliation to the Chicago association.

The Buffalo office of New York Fire Rating Org. is moving its offices from Marine Trust building to 266 Pearl.

## WUA Puts Out New Edition of its Guide for Correct Policy Writing

A new edition of "A Guide for Correct Policy Writing" has been issued by Western Underwriters Assn. The new booklet is based on the new style fire policy and thus constitutes a merger of the pamphlet issued by WUA two or three years on the one-write policy and the old policy-writer's guide, which was originally issued in 1949.

The latest booklet takes in all the newest changes such as automatic reinstatement and the expense charge on dwellings. There are shown simple ways of calculating policies when there is an increase or decrease in amount, and how additional perils should be added.

Because there are two ways of calculating rates in the middlewest, the booklet gives a rundown on both types, that commonly used in the western plains states, and the one in operation in the remainder of the midwest.

WUA has printed 85,000 copies of

the booklet to distribute to agents of its member companies in 17 states. Minnesota is excluded, because the old style fire policy is still in use there.

As much non-technical language as possible is employed in this latest edition. The booklet is an excellent guide for new men in an agency, or for the training of office help. For example, there are shown, both descriptively and graphically, the best ways to use the face of the policy.

The intention primarily of the WUA effort is to reduce the number of cancellations of policies due to mistakes. Currently, about 10% of all policies are cancelled on account of error. In some states this figure goes up to 16%.

Agents of WUA companies desiring additional copies may secure them from the field club members in their states or from WUA direct.

## Phoenix, London, Names Gilpin

Phoenix of London group has named Lawrence Gilpin special agent in Tennessee and Kentucky with headquarters at Nashville. He will work with Manager J. G. Hughes. The group has moved its Atlanta office to the 616 Ten Pryor street building.



L. Irving McKay

## "Prudential commissions have greatly increased our income,"



says Max Bliss, Sr., (right), president of Bliss & Lawlor, Inc., a well-known general insurance firm in Bellows Falls, Vt. Robert Murray (left), in charge of Prudential's Bennington, Vt. office, helps Mr. Bliss write his Life business.

"My general insurance firm deals with a lot of businesses throughout Vermont. When the local Prudential people suggested that we offer our clients a more complete service through their Life Department Plan, it just seemed to make good sense. Now we are writing a lot of Group and Life business, with the help of Prudential

experts. Best of all, we keep the full commission on every case."

**Improve your service**

**Increase your sales**

**Earn more with . . . PRUDENTIAL LIFE**

## CLIP AND MAIL TODAY

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TO: BROKERAGE SERVICE • THE PRUDENTIAL, NEWARK 1, N. J.

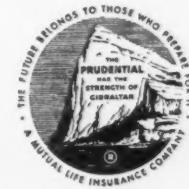
I want to know more about Prudential's LIFE DEPARTMENT PLAN and how it will make LIFE sales easier for me.

NAME \_\_\_\_\_

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**The PRUDENTIAL**  
INSURANCE COMPANY OF AMERICA



# PEERLESS HOW MANY WAYS ARE THERE TO MAKE PEERLESS PEERLESS A SALE?

AND TO HELP  
YOU SELL . . .

... are such selling aids as  
the Peerless ORGANIZER. This  
is only one phase of our com-  
plete sales-aid program.

There are as many ways to make a  
sale as there are salesmen. Each  
has a technique as individual as a  
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aggressive, competent agents.

**PEERLESS**  
Casualty  Company  
An Old New England Company  
KEENE, NEW HAMPSHIRE

COMPLETE AMERICAN PROTECTION



99 John  
Street

**AMERICAN**  
REINSURANCE Group

New York  
38, N.Y.

## U&O Is Good Buy for Hospitals, Even Says

Hospitals were strongly urged to consider business interruption insurance in a speech given by John T. Even, executive assistant of the W. A. Alexander & Co. agency at Chicago, before a hospital administration institute at the Indiana University Medical Center, Indianapolis.

"The payrolls of hospitals today with trained administrators, X-Ray specialists, anesthetists, head mechanics, laundry managers and accountants represent a tremendous continuing expense if the hospital were inoperative as a result of the occurrence of an insured peril," Mr. Even pointed out. He suggested hospitals buy U&O for at least a six months shutdown. If such coverage is considered more than adequate, he recommended the new co-insurance form which permits a hospital to buy such coverage on what departments it believes vital.

Mr. Even noted how the character of hospital business has changed during the last 25 years. "In the early 20's, an estimated 90 to 95% of the income of hospitals was derived from room and board," he said. That percentage has been reduced in some cases to only 40%. Laboratories often are responsible for 10% of the income, and x-ray another 10 to 12%.

Reviewing building construction requirements, Mr. Even opined that few hospitals meet them today. He said the present "actual values" policies are inadequate to insure a hospital because of building requirements and the accounting practice followed by hospitals. He suggested there was a great need for writing insurance on a replacement basis with contingent liability for the operation of building loss.

## Cal. Agents Publish Booklet to Aid Cities

California Assn. of Insurance Agents is now distributing its newly published Liability Insurance Manual, a guide for political subdivisions in planning a liability insurance program. The booklet, which shows that many liability insurance problems confronting municipalities can be eliminated or minimized, may be obtained at \$1.50 per copy, including postage, from the association, 1404 Franklin street, Oakland.

## Name Hoelting at Seattle

At the annual spring banquet of Marine Insurance Society of Seattle, Allan Hoelting of General of America was installed as president. Other officers installed were: William McLean, Fireman's Fund, vice-president; Frank Kitchell, Fay Wheeler & Kitchell, secretary; George Polcuch, American Mail Line, treasurer.

## Form Milwaukee Agency

Thomas J. Courtney, assistant casualty department manager of the Travelers Milwaukee branch, has resigned to enter the local agency field as a partner of Robert C. Stoltz under the name of Stoltz-Courtney Insurance Agency, 735 N. Water street, Milwaukee.

## Public Adjusters Meet

National Assn. of Public Insurance Adjusters will hold its annual convention at New York City June 17-18.

## Education Day Held at Toledo

Speakers at the annual educational day of Insurance Women of Toledo were R. A. McLain, superintendent of

Ohio Inspection Bureau, on "Processing an Inspection Request"; Allen C. Guy, regional supervisor of Western Adjustment & Inspection, on "The Adjuster's part in Public Relations"; and John R. Coakley, assistant manager of the Toledo casualty department of Travelers, on "Agency Problems in the Automobile Field." Tillie A. Chelminski was chairman.

## New Operations Leaders for General American Casualty

General American Casualty of San Antonio has made William Green executive head of the company. He has been vice-president of Standard Casualty of Sioux Falls, and in joining General American, Mr. Green is setting up a staff of his own choice.

Directors of the company remain as heretofore, and a syndicate of directors has arranged refinancing to meet the demands resulting from the company's expanded operations.

## N. Y. Board Patrol 10 Closes After 49 Years

Patrol 10 of New York Board, located in Brooklyn, will be permanently closed after the first of the month. New York Fire Patrol has determined that the concentration of values in the territory is no longer sufficient to warrant the continued support of the patrol. The equipment will be distributed among the other six patrols.

The patrol was organized in 1905 as a part of the Brooklyn Salvage Corps and consolidated with other patrols of New York Board in 1910.

## NYC Agents' Form Liaison Committee

New York City Insurance Agents Assn. has named a special liaison committee to cooperate with other insurance organizations on problems of mutual concern. John C. Weghorn is chairman, and Al E. Mezey, president of the group, and Stephen Amann of Hall & Henshaw are members.

The committee will confer with individuals and groups in the business so that the organization's position on various matters will be known. The committee will report to the membership the thinking of others on such matters.

## Lyle Opens New Office

Lyle Adjustment Co. of Phoenix has opened a new office at Bisbee, Ariz. to service the southeastern corner of the state. The new office makes number eight for Arizona. The company also has six offices in New Mexico, and one in El Paso, Tex. Address of the new Bisbee office is Dugan-Hennessey building, P. O. box 269. The office also will service the new army signal corps installation at the reactivated Fort Huachuca, which is anticipated within the next few months will have a population of some 20,000.

## No. Cal. CPCU's Meet

The merchandise block policy was the subject of a panel at a meeting of Northern California CPCU Insurance Forum of San Francisco. Participating were Ralph C. Dreyer, Great American; Robert C. Gloss, Phoenix Connecticut, and Myon DuBain, Fireman's Fund.

Insurance Women's Club of Oklahoma City elected Jeanne Daugherty president at its April meeting; Erma Lou Kaserman, 1st vice-president; Lois M. Cochrane, 2nd vice-president; Ann Rowley and Eleanor Timmons, corresponding secretaries; Doris Ford, treasurer, Joan Halko, reporter; Mary Nelson, editor, and Esther P. Goyne, parliamentarian.

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## High Cost of Accidents Felt by All, Dorsett Says

The individual small business man is caught up in a tide of annual losses due to accidents which is approaching \$10 billion, J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Cos., declared at the North Carolina Industrial Safety Conference at Raleigh. Mr. Dorsett is a former chairman of North Carolina industrial commission.

The individual is enmeshed in this situation, he said, in that his purchasing power, and the purchasing power of every other business, would be better off if the \$10 billion were in circulation instead of tied up in extra expenses due to accidents.

"If you think accident records don't affect insurance premiums greatly," he said, "you should study the case of the medium-sized business man who found that his insurance costs alone fluctuated as much as \$10,000 per year, according to the fluctuations of his accident rate. Nor would I want you to have the idea that insurance covers all of the costs of accidents; it does not. In fact, it is a generally accepted principle that the uninsured cost of an accident is at least four times as great as the insured cost."

Mr. Dorsett's estimate that accident losses will reach \$10 billion was based on a 1952 total of \$8,715,000,000 and an approximation of 1953 losses of \$9,100,000,000. Of the 1952 figure, \$4½ billion was wage losses, \$1,415,000,000 hospital and medical expenses and \$2,300,000,000 insurance overhead costs excluding claims paid. Highway accidents, the most serious single cause of accidents in 1952, cost between \$3¾ and \$4 billion and resulted in 38,000 deaths and between 1,350,000, and 2 million injuries.

## Chicago Glass Breakage Up; Blame Wind, Vandals

A material increase in loss inspections during March because of severe windstorms in Chicago is noted by Chicago Plate Glass Bureau in its report for the first quarter of 1954, just issued to subscribers.

The Chicago bureau also reported about 20 instances of plate glass vandalism in Chicago and five suburban towns March 21-25. Evanston alone had 10 instances of vandalism, all occurring in the early morning hours of March 20. In all instances, the breakage was caused by ball bearings, apparently hurled from a slingshot. The matter is under investigation by the claims bureau, but thus far no tangible evidence or reason is available.

The 1,409 surveys, 127 inspections and 979 loss inspections undertaken constituted a slight increase in total stop as compared to the same period of the previous year.

## Hingham Mutual V.P. Retires

Alan F. Hersey, vice-president of Hingham Mutual Fire, Hingham, Mass., has retired under the company's pension program. He joined the company in 1910 as assistant to Henry W. Cushing, then secretary, became secretary in 1912 and vice-president in 1946.

## Elect De Witts President

Soland County (Cal.) Assn. of Insurance Agents has elected Harold De Witts president, Gilbert Du Mont vice-president and John Stewart secretary.

## Buyers Clinic in Minneapolis

MINNEAPOLIS—Facts to be considered by a company in establishing a sound insurance program were considered at an insurance buyers clinic at the University of Minnesota. Cooperating with the university was Minne-

sota CPCU chapter. The clinic was planned to appeal especially to firms which do not ordinarily employ a full-time insurance buyer.

## Johnston to American Re

George D. Johnston has joined the claim department of American Re. He has been with Liberty Mutual since 1937 except for three years in the Royal Canadian air force. He has extensive experience in handling claims, especially in the compensation field.

## NAMIA Seeks Coercion Data

Members of National Assn. of Mutual Insurance Agents are responding to the association's request for information on loan firms that coerce borrowers to buy insurance or that discriminate against mutual insurance companies. The information will be presented to the Department of Justice and also will be used by special committees on coercion of American Mutual Alliance and the association.

Kenosha Assn. of Insurance Agents has presented a check for \$150 to the Boy Scouts to be used for purchasing educational films on scouting.

## Local Agent Can Meet Peddler Competition

Price peddlers competitive with the agency system cannot be legislated out of the business, Robert F. Babcock of Keene said in his talk at the midyear meeting of New Hampshire Assn. of Insurance Agents. The local agents should thrive on competition, he asserted.

Unfortunately, there are some hungry and pretty ruthless competitors in insurance who will not reflect favorably over the long term on the business, he said. He does not believe in price peddling. It works two ways, however. He does not accept price concessions from other middlemen because he believes they are worth their price. He refuses to buy wholesale.

He said he regretted that in New England there are two agents' associations. That is unnecessary and tends to divide the local agency ranks. He said he hoped that soon there would be only one.

He said local agents are pledged to support right principles and oppose bad practices in the transaction of insur-

ance, to encourage and promote understanding and cooperation among agents and between them and the insurers, and to encourage and promote good public relations. There is nothing wrong with the agency system. Any defects in it lie with the individual members.

If the local agent works hard, stays close to his customers, knows them and understands their needs, if he is not an automatic renewer of policies, if he reviews them, discusses them and assumes his full responsibility to his clients, he is living up to the local agency standard and will have no difficulty meeting competition.

Unless they accept this responsibility, they are unworthy to be called local agents. The agent who shifts around for more commission is not looking ahead. There will be no room for the price peddler where this is done.

Burlington Insurance Agency, owned by Gene Zarek, and the W. K. Porter Insurance Agency in Burlington, Wis., have been merged and will continue as the *Burlington-Porter Agency* at 534 Chestnut street, with Miss Betty Porter as office manager.

## South Carolina Insurance Company

ORGANIZED 1910

CAPITAL \$1,000,000

POLICYHOLDERS' SURPLUS \$2,000,000

**SEIBELS, BRUCE & COMPANY**

*Managers of Insurance and Reinsurance Companies*

COLUMBIA  
SOUTH CAROLINA

PALMETTO BLDG., COLUMBIA, S.C.—111 JOHN ST., NEW YORK, N.Y.

4 FENCHURCH AVE., LONDON—39 AMALIEGADE, COPENHAGEN

## EDITORIAL COMMENT

### To Customer Insurance Is a Tangible

It is always interesting to get a thoughtful expression of opinion about the insurance business from someone outside of it. In a talk at Buffalo I-Day, Donald M. Hobart, vice-president and director of research of Curtis Publishing Co., made the observation that insurance is not an intangible. Too many insurance company executives, agents and brokers have looked upon it as something vague and lacking in objectivity, but the customer looks upon it as something pretty concrete. In his mind the expenditure for insurance premiums has to compete with his contemplated expenditure for a great

miscellany of goods and services, many of which are fully as intangible as insurance.

Actually, he said, the insurance business has a physical product. An insurance policy has length, breadth and thickness. It should have distinctive packaging as well. The buyer of insurance wants to look at his contractual agreement and have it convey something of the actuality of its value. Some companies have learned this and have made headway in distinctive packaging of the insurance product. That is product improvement.

### An Advertisement That Isn't Helping

The current Blue Cross advertising that features an \$810.70 hospital bill marked "Paid in Full" may be good copy but we don't think it makes good sense. We say that because it is pointing the finger straight at the weakest spot in the whole system of private insurance coverage of hospital and medical expenses, namely its inadequacy at the upper end of the cost scale, where expenses can be not merely uncomfortable but actually catastrophic for even a pretty well heeled family.

The "big type" in this Blue Cross advertisement blares, "How to be sure of enough hospital bill protection!" The clear implication is that the way to get "enough" hospital bill protection is to be covered in Blue Cross. To be sure, down in the smaller type toward the bottom of the ad it says that "over 90% of Blue Cross subscribers who had hospital bills had them paid for in full for all hospital care (save maternity) in semi-private rooms..." In other words, pretty close to 10% of Blue Cross subscribers, in addition to paying their regular premiums, had to dig down in their pockets because the insurance wasn't enough to take care of the bill.

To convey an impression more in accordance with the facts, the advertisement should have been headlined, "How to be sure of enough hospital bill protection—unless you're the unlucky one in 10."

This approach in advertising hospitalization insurance—spotlighting the payable benefits in whoop-de-do style and playing down the respects in which the coverage is less than complete is what some insurance companies have done and the public reaction as the whole picture came to light has not

been a favorable one. It is a pity to see Blue Cross, which prides itself on its "non-profit" status and its high-minded attitude, going in for the type of advertising that has been so widely criticized.

The Blue Cross advertisement we are discussing is, of course, far from being as flagrant as some of the worst examples that could be cited, but it is certainly a step backward. Blue Cross has appropriated a million dollars for advertising and if very much of it goes for this sort of copy it is going to add measurably to the difficulties the insurance business is having in developing comprehensive coverage in time to keep the government from getting into the health insurance business a lot deeper than Blue Cross or the insurance business wants to see happening.

Why stir up the resentment of the one subscriber in 10 who didn't have enough Blue Cross coverage to pay his bill in full and who sneers, "Oh, yeah?" when he reads the "How to be sure of enough hospital bill protection" headline? In time these one-in-10 unlucky ones add up to quite a crew. Implied claims to a completeness that falls short when it hurts most is not the way to build good will for Blue Cross, or for private insurance in general in the hospitalization field.

The claim to completeness is particularly unfortunate just now, when the Eisenhower administration is trying to find the solution for the problem of catastrophic medical and hospital care costs. For all its good points, the Blue Cross approach, by hammering at the concept of paying all bills from the first dollar, strengthens the public's misconception as to the desirability of insuring full coverage of trifling

expenses, with all their attendant claims-handling costs, and glosses over the hard fact of catastrophic expenses that are only covered under some form of major medical insurance. In short, Blue Cross seems to be doing what some insurance companies have been criticized for—playing up what it wants to sell and is in a position to sell and not doing enough about developing protection against the sort of disaster in which money is needed in really substantial sums.

lic accomplishments and civic achievements in the American tradition serve as an example to the youth of the country.

**Lilbourne C. Irvine**, general manager of American Foreign Insurance Assn., has been elected a member of the Circumnavigators Club of New York, eligibility for which depends on having made a complete circumnavigation of the globe. In his 28 years with AFIA, Mr. Irvine has resided in Brazil, Colombia and India and has traveled extensively in the far east, middle east, Africa, South America, and Europe.

**Patricia L. Murphy**, editor of four publications of the Kemper group, has been elected midwest area director of International Council of Industrial Editors. Last year Miss Murphy became the first woman president in the history of the Industrial Editors Assn. of Chicago, and will have jurisdiction over a six-state area.

**John Rygel**, vice-president of Hanover, and Mrs. Rygel are due back in the U. S. late this month after a six-weeks trip to Europe.

**Robert I. Will**, a partner in the Harris & Will agency at Clayton, Mo., will run on the Republican ticket in the August primaries as a candidate for a St. Louis county councilman.

**William O. Bailey**, assistant secretary of National Bureau of Casualty Underwriters, and Mrs. Bailey, are the proud parents of a baby girl. She has been named Janet Ann.

**Kenneth J. Bidwell**, assistant U. S. manager of London Assurance, is visiting the head office in London.

## PERSONALS

**Clifford P. Pendleton**, superintendent of casualty underwriting at Albany, will mark his 25th year with Hartford Accident on May 20. He joined the company in 1929 and has held positions of home office underwriter in the automobile department and supervising underwriter at Baltimore and Albany. He was named to his present post in 1952.

**Two of the Senior partners of Bosquett & Co.** agency of Detroit celebrated anniversaries May 1. C. Gilbert Waldo marked his 35th year with the agency, and L. William Ferguson marked his 25th year.

Mr. Waldo, whose entire insurance career has been with Bosquett, is national state director of Michigan Assn. of Insurance Agents. Mr. Ferguson was with Aetna Casualty before joining Bosquett in 1929.

**Thomas J. Calogero**, deputy superintendent of New York insurance department, is in charge of the May 16 annual mass and communion breakfast of insurance branch 21 of Anchor Club in New York City.

Three Indianapolis insurance men won nominations for offices in the Indiana primary election. **Charles H. Boswell**, head of the agency bearing his name, won the Democratic nomination for U. S. Congressman, representing the 11th (Indianapolis) district. **Robert O'Neal**, who is with his brother in the O'Neal Insurance agency at Speedway City, Ind., was nominated for sheriff of Marion county on the Democratic ticket, and **G. H. Downey**, president of Sieber & Reilly, Indianapolis, was nominated by the Republicans for a seat in the Indiana house.

**W. G. Shipe**, retired resident secretary at Chicago of New Hampshire group, and Mrs. Shipe have returned from a month's trip through California. They came back via New Orleans and visited Mr. Shipe's sister at Birmingham, Ala., on the way home.

**Harold V. Smith**, chairman of Home, was one of ten business and civic leaders to receive a bronze plaque from the Horatio Alger awards committee of American Schools & Colleges. The award is presented annually to leaders of industry and commerce whose pub-

**FRANCIS H. HODGKINSON**, 51, who operated a brokerage firm in Chicago's loop, died there. A brother, William R. Hodgkinson, also is a Chicago broker.

**WILLIAM H. SPROULL**, 72, formerly of the Thompson & Sproull agency of Pittsburgh, Pa., died at his home in Beverly Hills, Cal.

**A. AUBREY MOORMAN**, 62, of the Moorman & Fentress agency at Leitchfield, Ky., died of a heart attack at his home there.

**CHARLES G. McCUNE**, 62, who operated the Charles G. McCune agency at Columbus, O., died. He recently was merged with the Tice & Jeffers Co. to form the Tice-McCune agency.

**THORTON D. THACKER**, 50, owner of the Thacker Insurance agency at McAllen, Tex., died there of a cerebral hemorrhage after being rushed to McAllen Municipal hospital.

**ELDON L. KELL**, 51, claims division manager of Travelers at Rochester, N. Y., died. He joined the company at Buffalo, later was transferred to Niagara Falls and in 1951 went to Roches-

## The NATIONAL UNDERWRITER

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ter as assistant manager of the claims division. He was promoted to manager four months ago.

**WILBUR F. HERRICK, JR.**, 71, local agent at St. Petersburg, Fla., died. He was associated with Don Robinson & Co. in an agency at the time of his death.

**FREDERIC WILLIAMS**, 78, an illustrious insurance figure in the Rocky Mountain territory for a half century and secretary of Rocky Mountain Fire Underwriters Assn. from 1920 to 1949, died at his home this week in Dunedin, Fla.



Donald W. Perin



Frederic Williams

Springs in 1899 from his Medford, Mass., home to become a clerk for Colorado Brokerage Co. The following year he became manager for the Hastings Brothers local agency there and then, beginning in 1904, served 16 years as a special agent for New Zealand in Colorado, Wyoming, Utah and Montana. From 1931 until his retirement he was in charge of the Rocky Mountain territory for National Automobile Underwriters Assn. A dominant factor in the formation of Rocky Mountain Field Club in 1920, Mr. Williams was an honorary member from its organization until his death.

For many years Mr. Williams handled legislation for the companies in the Rocky Mountain states, compiling an enviable record. When Mr. Williams retired RMFUA was liquidated, its responsibilities being taken over by Western Underwriters Assn.

**EDWARD A. JOHNSON**, 66, died of a heart condition at his home in Seattle. He retired in 1944 as engineer for Travelers there.

**KARL W. KRAFT**, 67, manager of the Kraft Insurance agency at Orrville, O., died—after a long illness. The agency was established by his father many years ago.

**WILLIAM H. WINSHIP**, 85, who at one time operated an insurance agency at Elkhart, Ind., died there after a four-week illness.

#### To Inspect Wallace, Idaho

A town inspection for Wallace, Ida., has been tentatively scheduled next fall during fire prevention week by Inland Empire Fire Underwriters' Assn. It is proposed that the chamber of commerce, Boy Scouts, city council, and the schools assist in "red tagging" all city fire hazards.

## Perin Leaving NAIA for Alexander & Co.

Donald W. Perin, assistant secretary and assistant treasurer of National Assn. of Insurance Agents, will join the W. A. Alexander & Co. agency of Chicago June 1. He has been with NAIA since 1950.

He has served primarily as assistant to John F. Neville, executive secretary and general counsel of NAIA. He also served as staff secretary to the NAIA technical committees of casualty, property, and fidelity & surety and the metropolitan and large lines agents committee. He also handled NAIA convention arrangements for the past four years.

Prior to joining the NAIA Mr. Perin had been with Great American Indemnity 14 years, latterly as an assistant secretary. He is a CPCU.

## Central Surety Shows Big Gains in First Quarter

Central Surety in the first quarter of 1954 had a loss ratio of 47.5% as compared with 57% in 1953. The company showed an underwriting profit of \$285,000, more than was racked up in the entire year of 1953.

As of March 31, net income after taxes was \$221,938, or \$2.22 a share on the capital stock, compared with \$30,146 or 30 cents in the same period last year.

The company is underwriting selectively, and had premiums written of \$2,660,188 in the first three months of '54 as against \$2,877,777 a year earlier. There was a marked improvement in automobile experience, President R. E. McGinnis reported, as well as in workmen's compensation and surety.

Assets as of March 31 were \$19,827,677 as compared with \$19,521,000 the year before.

W. M. Lalor, manager of the eastern division, was elected a vice-president.

## Neb. Field Groups Elect New Officers

New officers elected at the annual meeting of Nebraska Fire Underwriters Assn. last week at Omaha are: President, Norman Bressman, Aetna Fire; vice-president, Robert E. Forrest, America Fore; secretary-treasurer, Clarence E. Hedstrom, Hartford Fire.

Nebraska Fire Prevention Assn., meeting the same day, elected E. A. Trieglass, Fire Association, as the new president, and C. R. Jeffrey, North British, as secretary.

Nebraska Blue Goose met the evening before the field clubs got together and named Frank Jenkins, Nolan & Co., most loyal gander; C. E. Heckendly, custodian; Fred H. Fletcher, guardian; E. J. Nagel, Home keeper, and Robert E. Forrest, America Fore, wielder.

## Gunderson Heads Auto Claim Men

NEW YORK—Clifford Gunderson of Home was installed as the new president of the Automobile Claims Assn. at the annual dinner and entertainment here. He succeeds C. J. Ryan of Great American.

Other officers are Howard Kochendorfer, Atlantic Mutual, vice-president; Daniel J. Farrell, Mt. Beacon, treasurer; William Paddock, London Assurance, secretary.

Kenneth Buckton, Globe & Rutgers, a past president, headed the entertainment committee for the dinner, which was attended by more than 300.

## Black to Mass. Bonding at Chicago in Casualty Post

Ronald Black has been named superintendent of the casualty department at Chicago for Massachusetts Bonding. Mr. Black for seven years was with Continental Casualty at the home office, most recently as assistant manager of the compensation department. He attended DePaul University and is an army veteran.

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.  
135 So. La Salle St., Chicago, May 11, 1954.

	Div.	Bid	Asked
Aetna Casualty	3.00*	139	142
Aetna Fire	2.40	57 1/2	59
Aetna Life	2.50*	130	132
Agricultural	1.60	31 3/4	32 1/4
American Equitable	1.70	34 1/2	35 1/2
American Auto	2.00	53	55
American, (N. J.)	1.10	29 1/2	30 1/2
American Motorists	.24	8 3/4	9 3/4
American Surety	3.00	58	60
Boston	1.40	36	37
Camden Fire	1.10*	24 1/2	25 1/2
Continental Casualty	2.60	129	131
Crum & Forster com.	1.80	58 1/2	52
Federal	.60	32 1/2	33 1/2
Fire Association	2.20	47 1/2	48 1/2
Fireman's Fund	1.80	58 1/2	61
Firemen's, (N. J.)	1.00	33	34
General Reinsurance	1.60	44 1/4	45 1/4
Glens Falls	2.00	67 1/2	69
Globe & Republic	.90	17	18
Great American Fire	1.60	38 1/2	40
Hartford Fire	3.00	158	160
Hanover Fire	1.80	38 1/2	39 1/2
Home (N. Y.)	2.00	41	42
Ins. Co. of No. America	2.25*	89	91
Maryland Casualty	1.20	30 1/4	31 1/4
Mass. Bonding	1.50*	26 1/4	27 1/4
National Casualty	1.50*	30	32
National Fire	3.00	78 1/2	80
National Union	2.00	43	45
New Amsterdam Cas.	1.50	43	44 1/4
New Hampshire	2.00	43	44
North River	1.40	33 1/2	35
Ohio Casualty	1.55*	60	72
Phoenix Conn.	3.40	104	106
Prov. Wash.	1.50*	28 1/2	29 1/2
St. Paul F. & M.	1.00	41 3/4	43
Security, Conn.	1.70*	40	42
Springfield F. & M.	2.00	51 1/2	53
Standard Accident	1.80	50 1/2	51 1/2
Travelers	19.00	1205	1215
U.S.F. & G.	2.00	71 1/2	73
U. S. Fire	1.80	43 1/2	45

\*Includes Extras.



Camden Fire presented Cravens, Dargan Co. a plaque commemorating its 50th anniversary of managing the company's business in Texas. Shown are Barry Truscott, president of Camden Fire; Ralph Hover, vice-president; William T. Read, chairman; Rorick Cravens, Malcolm Cravens, Kemp S. Dargan, all of Cravens, Dargan & Co., and Allen M. Mills, vice-president of Camden Fire. The company representatives held a series of meetings with representatives of the general agency at Seattle, Spokane, San Francisco and Los Angeles before presenting the plaque at Houston. The general agency represents Camden also in the Pacific Coast territory.

## LOCAL and GENERAL AGENCY CONTRACTS AVAILABLE

### BROAD FORM AUTOMOBILE COVERAGES

### GENERAL CASUALTY LINES

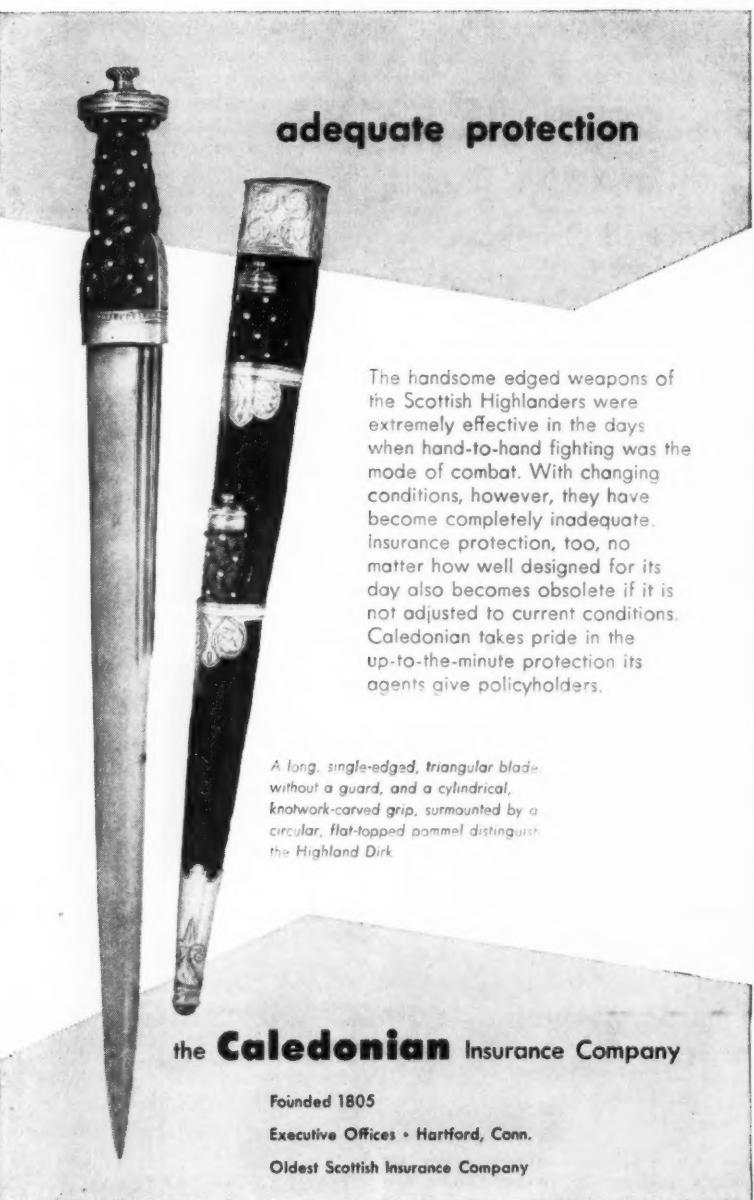
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## PREFERRED INSURANCE COMPANY

BOX 75

GRAND RAPIDS, MICHIGAN

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## adequate protection

The handsome edged weapons of the Scottish Highlanders were extremely effective in the days when hand-to-hand fighting was the mode of combat. With changing conditions, however, they have become completely inadequate. Insurance protection, too, no matter how well designed for its day also becomes obsolete if it is not adjusted to current conditions. Caledonian takes pride in the up-to-the-minute protection its agents give policyholders.

A long, single-edged, triangular blade without a guard, and a cylindrical, knotwork-carved grip, surmounted by a circular, flat-topped pommel distinguish the Highland Dirk.

### the Caledonian Insurance Company

Founded 1805

Executive Offices • Hartford, Conn.

Oldest Scottish Insurance Company

### Interbureau Issues New Package Dwelling Policy

(CONTINUED FROM PAGE 1)

contents and also provides for added specific insurance on rental value, additional living expense and trees, plants and shrubs. The fire coverage is granted in form CDP 1 which contains the specific fire and allied perils coverage, definitions, provisions and exclusions. The description of property for both buildings and contents follows standard procedure.

Perils parallel present standard coverages, fire, lightning, windstorm, hail and explosion. Riot follows the standard except that reference to labor disturbances have been removed, since this is a dwelling cover.

The vehicle peril combines all of the vehicle perils now found separately in EC and AEC, a simplification.

The falling objects peril has been restated to clarify the coverage intended. Aircraft is included as a falling object as well as a vehicle, which recognizes that an aircraft in contact with a building is sufficiently out of control and unmanageable to become a falling object in fact. If not airborne, it is a vehicle. Fall of trees is also included here. When trees, plants and shrubs are insured, the debris removal extension applies.

The smoke peril has been changed from standard definition in certain respects. The limitation on heating or cooking units has been changed so that these two items no longer need to be connected to a chimney by a flue. Modern cooking apparatus is no longer connected by a flue.

Malicious mischief and vandalism is standard except it does not apply to attempted theft, which is included in the theft cover.

Collapse has been defined to mean only the sudden and unexpected collapse of insured buildings or any part thereof. This is a rewrite of some of the standard methods of expressing the coverage since collapse caused by weight of ice, snow or sleet is covered under the next following peril.

Weight of snow or ice peril consists of physical injury to or destruction of the described building caused by the weight but excludes cover as respects trees, lawns, shrubs or fences. This is a fairly broad definition of the peril since it includes not only collapse or destruction but also physical injury, which is quite different from collapse.

The water damage peril is relatively broad. It includes the element of freezing which is often handled as a separate peril under other forms. Glass

breakage is the last cover in this division and is limited to building glass or glass constituting a part of the building, including sash, windows and doors.

The reverse side of the form provides extensions, 10% of the building amount extended at insured's option to cover private structures appertaining to the dwelling, with the usual limitation as respects mercantile, manufacturing or farm occupancies and rented or leased properties; the usual 10% of the contents value applicable to off-premises coverage; time element, consisting of the 10% extension with the usual 1/12 limit for rental value and the 10% extension for additional living expense with the usual 25% limitation (if both extensions are used, the aggregate limit is still 10% of the building value); and removal of debris of property covered.

Optional specific coverages include rental value, additional living expense, and trees, shrubs and plants. The latter may be insured up to limits of \$300 on any one tree, \$25 on any shrub and \$5 on any one plant.

The standard mortgagee clause is limited in application to the property identified as building and restricted to the fire portion of the contract, which eliminates need of obtaining releases from mortgagee of the dwelling if the loss is settled under any of the other coverages included in the policy.

Damages from earthquake, flood, land movement and seepage of water, are excluded.

In many cases fractions of perils in AEC have been combined with the principal part of that peril in EC to make a single peril. Thus AEC perils are mandatory.

The theft cover provides for a minimum amount of insurance, \$1,500 when written as part of the total CDP. It is a standard coverage designed for 100% blanket exclusively. Here the drafters eliminated several sections of the standard theft form, including the paragraph identifying and limiting types of property covered under various sections of the standard form when 50% blanket and divided coverages are used. Other extensions are included such as application of insurance while premises are rented to another and also the removal to other premises provision.

Since it is included in the fire form, malicious mischief is not covered here. Off-premises theft cover is provided with the standard phraseology, including theft from unattended property in automobiles.

Because theft is written 100% blanket there is no limit applicable to

# REINSURANCE

## Fire and Allied Lines

CHRISTIANIA GENERAL INSURANCE CORPORATION OF NEW YORK

ARNE FOUGNER, President

102 WHITE PLAINS ROAD

TARRYTOWN, NEW YORK

ALLEN J. HINKELMAN, Vice Pres. & Sec'y

jewelry and furs. Only special limits are money \$100 and securities and U. S. savings stamps \$500. The off-premises cover has a \$500 limit on boats and equipment.

Theft cover exclusions are normal except the coverage does not apply to any portion of the premises used as a boarding or lodging house.

Besides the \$1,500 minimum on-premises and \$1,500 off-premises theft cover, insured will be expected to purchase on-premises cover in an amount equal to 30% of the value of contents, or \$10,000, whichever is less.

Comprehensive personal liability is standard except that standard fire legal liability cover is included covering certain property in the care, custody and control of insured for losses caused by specified perils.

The off-premises named peril floater will be excess over the 10% fire contents extension and fills several gaps in cover when off-premises theft coverage is purchased. It covers the same property described under the contents section of the fire form, belonging to insured or for which he may be liable. At option of insured the same kind of property belonging to or used by permanent members of his household or owned by residence employees may be covered. Included are fire and added perils, accident to transporting conveyances, broadened to include general average and salvage charges for which insured may be liable, and theft of entire trunks, traveling bags or other shipping packages if under bill of lading, check or receipt of a common or a public carrier for hire. The latter is presently excluded under the standard off-premises theft. Boats are not covered.

There are five exclusions in the premises of insured or any person insured under the form, but not excluding property at temporary residences, property in fair grounds for exposition purposes, property in storage unless incidental to travel, property pertaining to business of insured, and losses arising out of shipments by parcel post or other classes of mail.

This is a new form of cover designed for specific inclusion in this contract and generally unavailable from any other source.

Glass breakage cover insures such things as mirrors, chandeliers, etc., not parts of the building. The cover is on a schedule basis.

Interbureau points out that insured, with the advice and counsel of his agent, has full latitude, within certain basic minimum requirements, to select limits of liability. While this may require some additional minor effort by producer and policy writer, Interbureau believes this selection of specific limits will become one of the most important sales points of this policy.

Work will be simplified through a manual containing rules for issuance of the CDP. The manual will also include a schedule of net rates applicable to each of the coverages on a three year basis so that agent or policy writer will not have to calculate the three year modified rates. This will eliminate use of many manuals and rate schedules and confine the rating to one section of one manual.

There is only one war risk exclusion, and here Interbureau agreed upon the inland marine clause.

The contract groups in one place provisions applicable to all coverages, which Interbureau believes will greatly simplify contract interpretation. Insured, producer and public can read

all of the broad general provisions at one time, and then read the specific conditions and exclusions for each coverage.

Normal casualty provisions relating to death of insured have been made applicable to the fire element of the coverage. This is believed a clarification of the legal representative phraseology of the fire policy and removes an element of ambiguity in the fire cover since there is no concise definition of legal representative available in broad general application. All provisions relating to policy cancellation are uniform. The CDP must always be cancelled in its entirety.

The provision relating to newly acquired premises is new in its application to many of the coverages contained in the policy. Its application in the theft coverage provides a ten day binder automatically to cover any premises acquired by insured for maintenance as residence. It requires notice within those ten days and payment of additional premium if due. The liability coverage already provides the extension automatically under these circumstances.

There is a loss clause applicable to

all coverages except CPL which states that the limits of liability is not reduced by a loss. The subrogation clause is considerably broader than usual in all fields except fire, since insured is permitted to waive subrogation by written release of liability prior to loss. The liberalization clause applies to forms included in the contract if there are changes within 45 days prior to the inception date of the contract. It automatically applies the new broadening of coverage when no additional premium is required.

Limits are flexible, premiums are divisible. Interbureau points out this permits the exercise of professional judgment by agents and brokers.

A special application form has been prepared for use in conjunction with the policy. This is at once a survey check sheet, and underwriting application and a premium calculation form. It is designed to permit agent to make a rapid, thorough survey of the exposures of each insured. It also permits the producer to prepare the necessary premium quotations.

The application form also sets forth values of the property involved, according to the class and kind, which

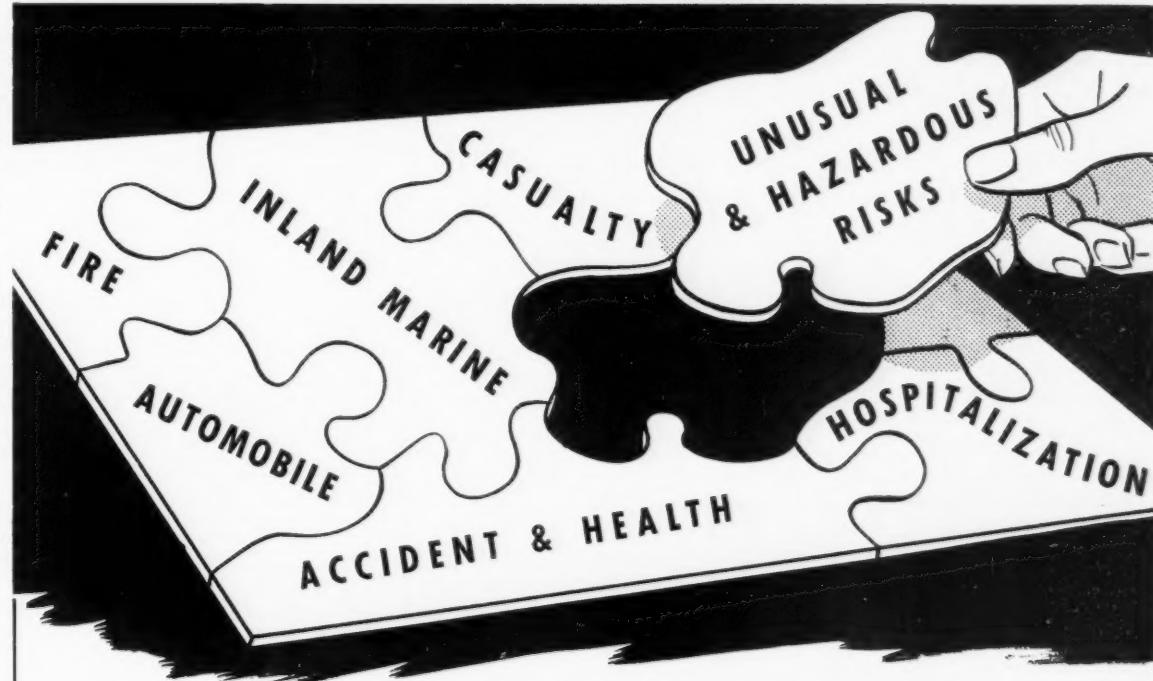
permits application of the discount features and helps to get insurance to value.

The format of the package is approximately one-third smaller than if all coverages contained therein were written under separate policies.

Interbureau anticipates that the most likely purchasers will be persons with income over \$5,000 a year and probably closer to \$10,000 and with a dwelling valued around \$15,000 or more. It anticipates the probable market at 4 to 5 million policies with an average premium around \$250.

Members of Interbureau are 22 groups representing 94 individual fire and casualty companies plus five individual insurers. The groups are Aetna, Life, America Fore, Atlas, Caladonaian, Commercial Union, Crum & Forster, Hanover, Hartford Fire, Londonian, Commercial Union, Crum & Surety, New Amsterdam, New Hampshire, North British, Phoenix-London, Royal Exchange, Royal-Liverpool, Scottish Union, Standard of Detroit, Sun, Travelers, and Yorkshire. Individual companies are Century, Excelsior, New York Underwriters, Union of Canton and U.S.F.&G.

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assisting insurance agents and brokers by providing markets for difficult, unusual, or surplus lines of insurance. For example:

- LONG HAUL TRUCKING—ALL COVERAGES
- MOTOR TRUCK CARGO
- AMUSEMENT PARKS—ALL COVERAGES
- EXHIBITIONS—ALL COVERAGES
- AUTO RACES—ALL COVERAGES
- MALPRACTICE INSURANCE—ALL CLASSES
- PRIMARY & EXCESS PUBLIC LIABILITY & PROPERTY DAMAGE
- PERSONAL ACCIDENT INSURANCES—EXECUTIVES' TRAVEL, OVER AGE - WORLD WIDE
- WORKMEN'S COMPENSATION—EXCESS CATASTROPHE OR EXCESS AGGREGATE
- REINSURANCES ON INDIVIDUAL RISKS AS WELL AS TREATY BASIS
- AUTOMOBILE MATERIAL DAMAGE
- OPEN STOCK BURGLARY, ROBBERY, ETC.
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- ERRORS & OMISSIONS COVERAGES
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We have the competent staff necessary to give you prompt service in writing these and many other coverages. We do not compete with our producers. No direct business written.

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## Stevenson Named Head of Louisiana Agents Assn.

(CONTINUED FROM PAGE 1)

tual of Illinois; approved after a 14 months battle. While the Louisiana agents were in session, they learned that State Farm had filed a suit at Baton Rouge over the insurance department's refusal to approve a policy fee. Mr. Bolton devoted much of his report to this matter and so did Mr. Boling, who is chairman of the casualty committee. This is the first time that Louisiana has approved an automobile liability deviation and the agents did not like the implications.

Mr. Bolton in his report Friday made

the point that automobile insurance has become a social insurance and a public necessity and consequently that uniform rates are needed to protect the public from selective underwriters. Otherwise, he said, selective underwriting will force other insurers to retaliate in self-defense and this in turn will force many insured into assigned risk plans, thus eventually costing everyone more.

Saturday, Mr. Boling described the automobile developments in Louisiana during the past few years. He said that the 1952 financial responsibility law naturally increased business and brought several competitive insurers into the state. This made it necessary

to abandon the old level statewide rate system. Although many agents did not like the new rates schedule based on territory and operator classifications, Mr. Boling said that his committee felt it necessary to endorse it, as a protection against the selective underwriter. The State Farm filing, he said, is a real blow at agents and he feels sure that other semi-direct writers will try similar deviations, now that a precedent has been set. He said he hopes Louisiana laws will be strengthened to be more like those of Texas, where no deviations are permitted.

Mr. Boling also reported that Gov. Long's special committee on the work-

men's compensation law has held hearings in a number of cities and that a member of the casualty committee has attended each. While some fantastic proposals were inevitable, in general the suggestions brought up at hearings so far have been reasonable. So far the committee has not filed its report.

At the same session, Mr. Schlesinger reported for the property insurance committee. So far, Louisiana has not approved any new dwelling coverages, not even additional extended coverage. The commission fears an adverse public reaction from the many forms being offered in other states, thinking them confusing and likely to cause trouble when one loss is denied because of an exclusion not common to all policies. He said that the department will probably approve a named perils broad dwelling form soon, for the use of all carriers and that additional extended coverage will probably be approved at the same time.

Developments which Mr. Schlesinger approved were the new liberalization clause, increase of maximum binder time from 15 to 30 days, depreciation insurance form, lenders loss payable clause, subrogation waiver and the new earnings business interruption form. He said his committee complained about the activities of Factory Insurance Assn. and the Factory Mutuals. While the insurance department after a hearing declared that neither group had exceeded its authority, the affair turned out favorably for the agents, since the Factory Mutuals agreed to file their policies and clear them through the stamping office, which they had not done before, and also to a minimum retained premium of \$200 per location, with no blanketing of locations. F.I.A. agreed to a \$200 per location minimum premium and both groups agreed not to write any dwellings, except on factory premises.

There was much discussion about the federal anti-trust suit against New Orleans Insurance Exchange, but the general attitude was "wait and see." At the Saturday morning session, Phillip James, New Orleans attorney for the New Orleans board, outlined the issues involved and said that the case may eventually reach the U. S. Supreme Court. Fundamentally, he said, this case may be the crucial test of the "in or out" rule, since the Cleveland board, against which a similar case is pending, abandoned this rule, so the Cleveland case, when and if it goes to trial, will be fought mainly on the non-intercourse rule. Mr. James said that the New Orleans board has until May 31 to file an answer and that it will contest the jurisdiction of the federal court, on the ground that the New Orleans board is not engaging in interstate commerce. He also said that a similar action was threatened against the Baton Rouge board, but that the government and the board agreed to be bound by the outcome of the New Orleans suit. The suit, he emphasized, is not a criminal action, but is purely a civil case seeking to test the "in or out" rule.

The Louisiana agents had a special reason for celebration, because three Louisianians are presidents of major insurance associations. E. J. Seymour, Monroe, president National Assn. of Insurance Agents, and past president of the Louisiana association, was on hand and his talk Friday morning was ample proof that Louisiana has provided the agents of the county with a great leader. Jules Simoneaux, New Orleans, president American Assn. of Managing General Agents, was on

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hand and

## WANT ADS

Rates—\$18 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

### FEDERAL JUDGE AGE 41

Graduate of Williams and Harvard Law. Former State Insurance commissioner desires to return to private business and associate himself with Life, Fire or Casualty company in legal department.

Box Y-98,

The National Underwriter Co.,  
175 W. Jackson Blvd.,  
Chicago 4, Ill.

### WANTED

Northeastern Ohio, Man between the ages of 25 and 35. Must be qualified to service present accounts in large old established agency writing all lines. A good knowledge of either Casualty or Fire Insurance is a "must." Salary open. Wonderful opportunity for advancement. State age, experience, marital status and other pertinent confidential information. Address Y-92, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### I.B.M. SUPERVISOR

Direct Writer of Auto Insurance in Michigan, employing 60 in Tabulating Department has opening for experienced supervisor 28-35. The man we are looking for must have had several years experience, the ability to deal with people and a knowledge of insurance accounting and statistics. Administrative ability desired as there is excellent chance of advancement. State educational background, work history and specific qualifications for this job. Replies strictly confidential. Address Y-70, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### ST. LOUIS FIELD REPRESENTATIVE

for fast growing, multiple line stock company operating nationally. We are interested in an aggressive, experienced man interested in becoming associated with a top-rated company with progressive policies and many ideal employee benefits. The man we are looking for will be top-flight with a pleasing personality, sincerity and one looking for a career job. If you are not pleased with your present association, it will pay you to investigate this opportunity. Write Box Y-78, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### FIRE INSURANCE COMPANY EXECUTIVE WANTED

Brand new Fire Insurance Company desires services of an experienced man to run company 100%. Salary open depending upon qualifications. All replies confidential. Please reply Box No. Y-91, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### EXPERIENCED INSURANCE JOURNALIST

wanted by leading trade magazine at Chicago. This is a good position for the man who can take on responsibility. Salary open. Reply to Z-7, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### FIRE STATE AGENT

Headquarters Indianapolis. Good opportunity and excellent future for young man with underwriting or field experience with one of the outstanding stock fire insurance companies. Prefer man 25 to 35. Good starting salary, liberal pension plan and other benefits. In reply state age and qualifications. Republic Insurance Company, 309 West Jackson Blvd., Chicago 6, Ill.

### WANTED—POSITION AS STAFF ATTORNEY

In growing casualty company interested in executive material. Job résumé will show all-round insurance, claims and legal experience. Now in Chicago, relocation no problem. Write Y-95, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### WANTED CASUALTY SPECIAL AGENT

By old responsible Casualty Company Young Man with some casualty underwriting experience in Midwest operating from Des Moines. Right man can make excellent future for himself. Address W-90, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### LOCAL AGENCY WANTED

Will pay cash, or cash and percentage of income for Agency or Agency partnership with \$10,000 to \$20,000 annual comm. Give description of business, agency history, companies represented and terms required. Reply Box Z-4, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### TOP POSITION AVAILABLE — EXPERIENCED WOMAN TO HEAD POLICY ISSUE AUTOMOBILE DEPARTMENT

Executive office full coverage automobile insurance company located North Side. Full management policy issue department, supervise policy writers; underwriting experience helpful. Salary open. Write, give full particulars past experience.

Pioneer Auto Insurance Company  
6355 North Clark Street, Chicago, Ill.  
Rogers Park 1-1700

### WANTED AGENCY BOND MAN

Old established Milwaukee Agency wants man with bond experience—servicing existing accounts and development of new business. Excellent opportunity. Salary open. Replies confidential. Address Y-96, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### CLAIM MANAGER OR ASSISTANT

Age 34, six years in practice, including trial preparation and trial work. Four years experience in all phases of casualty adjusting, examining, supervision of independent adjusters and defense counsel. Acute awareness of company-agency problems. Address Y-99, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### MANAGER-ACCOUNTANT

Age 34. Presently Assistant Treasurer and Office Manager of casualty insurance company. Prefer connection with Southern company. Address Z-5, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### FIRE UNDERWRITER

Leading New England Agency mutual company has attractive position for qualified fire underwriter, preferably under thirty-five years of age with some inspection experience. Salary commensurate with ability and experience plus bonus, pension and other benefits. Inquiries confidential. Address Z-6, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

### ADJUSTER WANTED

Independent in Southwestern city needs Fire and Inland Marine General Adjuster. Tell us why you are an insurance adjuster. Strictly confidential. Address Z-3, The National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

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hand and took a bow. His firm, Henry A. Steckler Co., followed its custom of distributing a registration list at the meeting. Commissioner Martin, president National Assn. of Insurance Commissioners, was expected, but could not appear, because of the State Farm suit. It is believed that no other state has equaled this record.

The meeting got under way Thursday afternoon with a talk by J. H. Hines, Atlanta, member of Hines Bros., Crum & Forster managers, on the present challenge to the American agency system. He reviewed the activities of semi-direct writers and the problem of their entry into the dwelling and contents fire insurance business. At the same session, S. G. Peters, New Orleans, London & Lancashire, president Capital Stock Fire Insurance Assn. of Louisiana, brought greetings and the film of General Adjustment Bureau, "Monster From the Skies", showing windstorm perils, was shown.

Friday morning Mr. Bolton gave his report. In addition to his remarks on the automobile situation, he said that the proposal that the state of Louisiana self-insure its properties would probably come before the next session of the legislature and that the association would watch it carefully. Mr. Seymour spoke at this session and Gilbert Kerr, New York, vice-president Fidelity & Casualty, discussed the automobile accident problem. J. C. O'Connor, Cincinnati, executive editor "Fire, Casualty & Surety Bulletins" of the National Underwriter, talked on the major problems of the insurance business, predicting that the competition between agents and semi-direct writers will shift from automobile to dwelling insurance.

Saturday morning, J. H. Jackson, Baltimore, assistant general counsel F. & D., talked on dishonesty insurance. He outlined a number of recent startling losses in this field and pointed out that fidelity bonds have been poorly sold. For example, he said, about 150,000 blanket fidelity bonds are in force in all companies and yet more than three million corporations are listed by recognized reporting companies.

There were dances Thursday and Friday nights, the latter being preceded by the president's reception. The dinner Saturday evening honored Messrs. Seymour and Bolton. L. M. Wise, New Orleans, past president, was in charge.

#### Tivnan Joins Alexander

Robert W. Tivnan has gone with Alexander & Alexander in Chicago, which specializes in writing direct corporate accounts. John S. Grasty, Jr., is the Chicago manager.

Mr. Tivnan was with R. H. Gore for eight years as manager of the A&H department and, recently, the fire and casualty department. Active for a number of years in Chicago A&H Assn., he is immediate past treasurer.

**CASUALTY FIELD MAN**—Illinois territory—One to two yrs. exp. in the field. Age 30 to 45. To \$6,000.

**SAFETY ENGINEER**—To Supervise "in construction" projects. Review reports from Field Engineers. Pleasant personality—College trained man preferred. To \$6,500.

**LLOYD'S TRAINED COMP. & LIA. UNDERWRITER**. 5 to 7 yrs. experience. New department with wonderful growth potential. To \$7,500.

**EXPERIENCED FIDELITY & SURETY UND.** No travel. Fine opportunity with company aggressively developing this type of business. To \$6,500.

Call or write

**ED BOYDEN**

CADILLAC EMPLOYMENT AGENCY  
220 So. State St. Chicago, Ill.  
Wabash 2-4800

#### Assigned-Risk Tag Won't Bar Higher Limits in New York

NEW YORK—Subscribers to the New York assigned risk plan have agreed to consider applications for liability limits higher than the 10/20/5 requirements of the financial responsibility law and to underwrite them as they would applications from sources other than the assigned risk plan.

The new procedure was not made part of the formal assigned risk plan agreement but it was agreed upon without dissent at an unusually well-attended meeting, the members having been notified in advance that the subject would be up for discussion.

The New York department has been taking an interest in the question, particularly with respect to risks thrown into the assigned risk plan because of brokers having lost their placement facilities. This type of situation has meant that a number of risks have come in through the assigned risk plan without anything in their records that would mark them as undesirable.

As a practical matter, it is expected there will be extremely few assigned-risk applications seeking higher limits than those required under the law, since some 80% of New York state motorists are content with the 10/20/5 limits.

#### N. Y. High Court Voids Appraisal on Actual Cash Value Concept

New England Fire lost an interesting case in the New York court of appeals recently, involving both actual cash value for coinsurance purposes and setting aside an appraisal made as provided by the policy. The court, in an opinion by Judge Albert Conway, former New York insurance superintendent, held that the appraiser appointed by the insurer and the umpire were wrong in considering only replacement cost less depreciation as the standard of actual cash value and consequently voided an award which penalized the insured under the co-insurance clause.

The property, a building in Brooklyn, was insured for \$6,000, with an 80% coinsurance clause and suffered a partial loss which the appraiser and umpire set at \$4,960. They also established the actual cash value of the building as \$15,000, thus cutting the insured down to half the loss. The appraiser appointed by the insured claimed that the property was worth only between \$6,000 and \$7,000—which would have met the coinsurance requirement—because of such factors as market value and rental income.

Judge Conway's opinion cites the now classic McAnarney case—McAnarney vs. Newark Fire Insurance Co., 159 N.E. 902—which held that replacement cost less depreciation is only one factor which may determine the actual cash value of insured property and that "every fact and circumstance" which might help establish values should be considered. The opinion points out that the appraiser and umpire were not guilty of any personal misconduct or active fraud, but that their refusal to consider all pertinent evidence amounted to "misconduct in a legal sense," which was sufficient to set the award aside.

This case is cited as Gervant vs. New England Fire Insurance Co., 8 C.C.H. (Fire & Casualty) 268.



**P**HÖENIX OF LONDON agents are secure in the knowledge that they are backed by companies whose integrity, experience and stability have proved themselves for more than one hundred seventy years.

*Progressive and capable agents have the opportunity to become affiliated with this highly respected multiple line stock insurance company group.*

## Phoenix of London GROUP

55 FIFTH AVENUE • NEW YORK

THE UNION MARINE & GENERAL INSURANCE CO., Ltd.

PHOENIX ASSURANCE CO., Ltd. COLUMBIA INSURANCE COMPANY

PHOENIX INDEMNITY COMPANY

UNITED FIREMEN'S INSURANCE CO.

LONDON GUARANTEE & ACCIDENT CO., Ltd.

THE KEY TO A SOUND  
INSURANCE PROGRAM IS A

## MARSHALL and STEVENS APPRAISAL

An intelligently guided insurance program requires authoritative values.



Marshall and Stevens have been recognized as valuation experts for over twenty years.

A NATIONAL ORGANIZATION TO SERVE YOU

Protect your clients by recommending our services on all types of property and equipment.

## MARSHALL and STEVENS

Chicago 4 Detroit 26 St. Louis 1 Minneapolis 2  
53 W. Jackson Blvd. 154 Bagley Ave. 313 N. Ninth St. 843 Plymouth Bldg.

## Highlights from our 52nd Annual Report to Policyholders

As of December 31, 1953, as filed with the Insurance Department, State of Indiana, admitted assets totaled \$21,074,039; liabilities, \$14,261,912; and surplus to policyholders, \$6,812,127.

ASSETS increased by \$1,707,200 or 8.8% over 1952. SURPLUS TO POLICYHOLDERS increased \$786,400 or 13% over 1952.

NET PREMIUMS WRITTEN were \$14,354,950 for the year, an increase of \$864,670 or 6.4% over 1952.

LOSSES INCURRED during 1953 were \$5,965,727. It represents a loss ratio on an earned premium basis of 43.6% as against a ratio of 39.6% during 1952.

SAVINGS of \$2,069,970 were returned to our policyholders as dividends during 1953, which compares with dividend savings of \$1,756,000 for 1952.

Business since organization in 1902: Net premiums written, \$132,507,900; net losses paid, \$46,986,000; dividends to policyholders, \$20,055,200.

*Grain Dealers Mutual*  
INSURANCE COMPANY

INDIANAPOLIS 7, INDIANA

Western Department: Omaha 2, Nebraska

FIRE & ALLIED LINES • AUTOMOBILE • INLAND MARINE

### Hanson Gives Details of Revenue Revision Bill

(CONTINUED FROM PAGE 17)  
should consult tax counsel to determine the effect on their operations. Also, partnership agreements then should be reviewed. The code may have some impact on choice of organizational form under which the agency operates. However, in general, factors other than taxes will have as great a bearing, if not greater, than the tax phase of choice of business form.

The life pattern of a local agency is usually predictable because of its predominant characteristic as a personal service business. On the average it is operated as a sole proprietorship in the beginning because skill and perseverance of its owner are the important factors of an agency's initial success, outweighing the importance of capital. As the agency grows, personnel is added. New men may then share in the profits as partners. Eventually it may be desirable to incorporate.

The choice of organizational form and the tax impact under the new code likely will be in doubt until the effects of the new code can be clarified. The House ways and means committee has pointed out that the existing tax treatment of partners and partnerships is among the most confused in the entire income tax field. Published regulations, rulings and court decisions are incomplete and frequently contradictory. The House report comments that partners today cannot form, separate or dissolve a partnership with any assurance as to tax consequences. Consequently the committee has undertaken the first comprehensive statutory treatment of partners and partnerships in the history of the income tax laws. Generally the principal objectives have been simplicity and equity between partners.

The new tax code continues the present treatment of partnership income under which the partners will be liable individually for income tax on their distributive shares of partnership income and the partnership itself files an information return only. The computation of partnership income is generally on the same basis as existing law.

The bill changes present accounting

regulations somewhat. Under the new code the partnership may not, without consent of the Treasury, either adopt a fiscal year or change from a calendar to a fiscal year, or vice versa.

An inequity, that the death of a partner may result in the closing of the partnership year and the bunching of more than a year's income in the decedent's last year, has been removed under the new code. The partnership may now run to its normal conclusion on death of partner and the decedent's share of the income for such year will be taxable to the estate.

The bill also provides that the taxable year for the partnership is not to close as a result of admission of a new partner, the liquidation of a partner's interest by means of a new partner, the liquidation of a partner's interest by means of a distribution, or a sale or exchange of a partner's interest in the partnership. However, the partnership year does close if there is a termination of the partnership.

The bill provides that when a retiring partner or a successor of a deceased partner receives a share of partnership income in return for the complete relinquishment of the interest in the partnership, the distribution will be allocated between payments for the value of a capital interest and other payments attributable to unrealized receivables or fees which will be treated as ordinary income, which treatment may also be given to amounts paid for good will in excess of its fair market value. When regulations on the provisions of this section are promulgated, probably many agency partnership agreements will have to be revised, especially with respect to provisions regarding continuity or perpetuation.

As to corporate reorganizations and distributions, specific provisions proposed that deal with unreasonable accumulation of surplus have been modified in a way which will favor incorporated agencies somewhat. Under present rules if in the judgment of tax authorities earnings and profits are permitted to be accumulated beyond the reasonable needs of the business, the statutory burden to prove otherwise falls on the corporation. The corporation has the burden of proving the accumulation of earnings is not unreasonable. Otherwise such accumulations may be subject to a substantial penalty tax. This has been described as prejudicial to small business, is applied in an arbitrary manner in many cases and is a constant threat to expanding business enterprise.

The bill would allow the first \$30,000 of earnings and profits to be accumulated by the corporation without being subject to the penalty tax. It will offer relief in many cases also by shifting burden of proof from taxpayer to government as to reasonableness of earnings in light of the reasonably anticipated needs of the business.

Mr. Hanson noted that the new code is the first in 73 years. Practically speaking, if the present bill becomes law, citizens are all operating under some provisions of the new code today because they would be effective for taxable years starting last Jan. 1.

He noted some of the provisions of the bill which will affect taxpayers in their individual status, such as partial credit for dividends received. He suggested that corporate insurance agencies now contemplating a dividend might postpone it till after July 31, so stockholders may take advantage of the provisions giving dividends

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ACTION THAT BRINGS SATISFACTION  
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A Progressive Company  
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Celina, Ohio  
Automobile and  
Casualty Lines

Selling Tools for Any  
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Savings to Policyholders

in excess of the maximum calculation a credit of 5% of the taxable dividend income received after that date. This is 10% for dividends received after July 31, 1955.

Several personal deductions have been liberalized. The 20% limit on charitable deductions remains but an additional 10% may be deducted for gifts to religious organizations, regular schools and hospitals. The floor on medical expenses is decreased from 5% to 3% of income, and the ceilings are doubled, but the cost of drugs and medicines may be included in medical expenses only to the extent it exceeds 1% of adjusted gross income.

Rates of taxation for individuals and corporations remain unchanged. The reduction in corporate taxes presently scheduled for April 1, 1954 is postponed for another year, thereby continuing in effect the 30% normal tax for incomes up to \$25,000 plus 22% surtax for income over that, making 52% for all income in excess of \$25,000.

Net operating losses may be carried back two years instead of one year now allowable. Loss carryover period remains five years.

### Walter Goodman Honored as Outstanding Salesman

Walter Goodman, manager of Continental Casualty's health and welfare plans department, was the only group insurance salesman to receive the distinguished salesman's award at a banquet sponsored by the Sales Executive Club of Chicago. The banquet, a part of Salute to Selling week activities, honored 70 outstanding salesmen from throughout the United States. Mr. Goodman has been in insurance selling 18 years and is in his 10th year with Continental Casualty where he led his department to a record of more than \$8 million in new business premiums last year.

### Texas Co. Promotes Three

Texas Employers' has appointed three men to new positions. J. R. Jones, assistant treasurer, has been named manager of the newly created procedures research department. John Stuart, assistant treasurer and comptroller, has been assigned to head the accounting department in addition to the comptrolling department. Gene Carl has been appointed administrative services director for some functions previously in comptrolling.

### J. L. Stuart Has Retired

Due to ill health, J. L. Stuart, senior member of the Stuart-Cleaver agency in Albany, Ore., has retired. C. H. Cleaver remains to manage the agency and it is reported that William Fitch of Coos Bay will join the agency.

**WIDE SURPLUS  
LINE FACILITIES  
FOR OHIO AND  
SURROUNDING  
STATES**

### Three Zurich Films Win Safety Awards

Three safety zone sound slidefilms, produced in 1953 by Zurich have won the award of merit in the national safety film contest.

"Wrong Way Waldo," selected from among sound slidefilms on occupational safety subjects, is a fantasy about a person who scoffs at safety. "Mind Over Motor," award winner in the traffic and transportation field, demonstrates the importance of keeping one's mind on his driving. "Winter Wise," a winner among general safety films, illustrates the special hazards of winter and shows how to take sensible precautions against them. All three films were produced for Zurich by Paragon Pictures, Evanston, Ill.

The films are a part of the Zurich safety zone program, a continuous program of safety and health education provided as a service to the companies' workmen's compensation risks. The program also includes safety engineering and industrial hygiene service, selective job placement facilities,

and printed safety education materials. The films, in addition to being a service feature, are used promotionaly by Zurich agents.

The national safety film contest is conducted annually by the National Committee on Films for Safety, representing 22 organizations seeking to improve public knowledge of accident prevention measures through visual means.

### Guilty of Taking Funds from Suspended Insurer

Harry Dorfman, former president of Enterprise Mutual Fire, has been declared guilty of withdrawing \$18,005 from the company after the Pennsylvania insurance department had ordered it to suspend operations in July, 1952. Judge Warren K. Hess announced the decision in quarter sessions court. Jacob Kossman, Mr. Dorfman's attorney, announced there would be a motion for a new trial.

D. C. Girardot, manager at Peoria of Western Adjustment, addressed the *Peoria Blue Goose* meeting on business interruption insurance.

### Haluk, Claudon Promoted by Industrial Indemnity

Walter A. Haluk, vice-president of Industrial Indemnity of San Francisco, has been elected a director of the company and Rene M. Claudon, home office claims manager, has been elected a vice-president.

Mr. Haluk, vice-president in charge of production and agency activities, joined Industrial in 1942. He has been production manager at San Francisco and division manager in Los Angeles. He became vice-president in 1947. Mr. Claudon joined the company in 1951 after 18 years with Liberty Mutual. He was claims manager of Liberty at Chicago before joining Industrial.

### Cimarron Writing For Harvesters

Cimarron of Kansas is offering physical damage and liability insurance on mobile equipment used by custom harvesters. The market for this coverage has been quite restricted. Custom harvesters usually start south and work their way north as the season progresses and Cimarron reports it has already written a number of policies.

**100<sup>th</sup> Anniversary**  
in the **UNITED STATES**  
of a **WORLD-WIDE**  
**INSURANCE COMPANY**

**1854** **1954**

**SAN FRANCISCO**  
114 Sansome Street  
San Francisco 4, Calif.

**CHICAGO**  
2141 Insurance Exchange  
Chicago 4, Illinois

**NEW YORK**  
135 William Street  
New York 38, N. Y.

**NORTHERN ASSURANCE COMPANY**

**In 1854** the Northern Assurance first entered California and began writing insurance in the United States. Not many years later the Company's writings were extended to all 48 States.

**In 1954** after 100 years of operation in the United States the confidence and faith of our Agents and Policyholders represent our most jealously guarded assets and will always remain so.

### MIDWEST UNDERWRITERS

**J. R. MULDER**

**Surplus Line Broker • Lloyd's London Correspondent**  
**Complete Claims Facilities**

**WILLIAMSON BUILDING**  
**CLEVELAND 14, OHIO**  
**PHONE • CHERRY 1-1231**

*business written through  
agents and brokers only*

## Adopt Code of Advertising Ethics at New Orleans

(CONTINUED FROM PAGE 5)

poses" article of the constitution were made more specific with the addition of the phrase: "and to promote the general welfare of accident and health insurance by the maintenance of high ideals in the selling, underwriting and administration of the business to the end that the best interests of the insuring public are advanced."

Companies not found to be conducting their business on a basis compat-

ible with conference principles now may be excluded from membership under the new constitutional provision which reads: "Provided a company or association conducts its affairs in such a manner as to bring credit and respect to itself, the conference and the business of accident and health insurance."

Probably the most significant change in the constitution, however, is that which allows the executive committee to terminate the membership of any company violating the announced ethical and moral standards of operations of the organization. A new section to

the constitution reads: "The membership of a member may be terminated by the executive committee, provided that the executive committee finds that the said member has wilfully violated such ethical and moral standards of operation as the executive committee may have previously promulgated and published, or provided that the executive committee finds that said member has conducted its affairs in a manner inconsistent with any of the objects and purposes of the conference as set forth in article two. Termination of membership under this section may be accomplished only

rounded up the views of the speakers in the morning and offered some comments of his own. He said the business is faced more with an opportunity than a challenge. It is a time to make decisions, and the companies have the chance to lay big plans for progress. He alluded to the proposals on deck and got in his vote for them in advance.

Thus the way was paved for Mr. Farley and Mr. McCord to present the constitutional amendments and the new advertising code. The company executives had spent about four hours soaking up background which, when it was concluded, presented these decisions in light of an almost necessary move.

The New Orleans meeting was the first the conference has ever held in the deep south. There is only one member company in New Orleans, Pan American Life, which was host at a reception and took the members on a tour through its magnificent new home office, but the turnout despite the virtual absence of member companies in the area was excellent. There were more than 300 members and wives attending.

After the full day of concentrated business, everything pointed to a negligible turnout for the last session, for which were scheduled Justin Wilson, a safety consultant from Shreveport, and B. N. Woodson, president of American General Life. However, the audience turned out in good style and was rewarded with two excellent talks. Mr. Wilson devoted only a short part of his address to the actual subject of safety, saying that the A. & H. people should get a conception of this matter, so as to be able to pass a perception on it along to the public, and then he rounded out the rest of his time with some entertaining stories.

Mr. Woodson, who is a newcomer to A. & H. insurance, said his impression of the business as looking in for the first time is that there is too much emphasis on selling the first dollar of coverage to the disregard of need to cover loss of income or the larger medical and hospital expenses.

Joseph W. Scherr, Jr., the new conference president, is executive vice-president and secretary of Inter-Ocean of Cincinnati. He attended Kenyon college, graduating in 1929 as a bachelor of philosophy. He served as executive committee chairman of the conference last year and is chairman of the information and publications committee of Health Insurance Council.

His business career started in 1929 when he joined Underwriter Printing & Publishing Co. In 1931, Mr. Scherr joined Inter-Ocean, becoming assistant secretary in 1939 and vice-president and secretary in 1946. In 1948 he was elected executive vice-president and secretary.

The new conference executive committee chairman, Frank S. Vanderbrouk, is president of Monarch Life. He graduated from Yale University law school in 1931. He was a lieutenant in the navy during the war.

Mr. Vanderbrouk's insurance career began in 1934 when he was claim adjuster and attorney for Aetna Casualty. In 1936 he went with Prudential as home office representative, joining Monarch Life in 1938. He was made executive vice-president of that company in 1948 and president in 1951. He has been a leader in conference activities for several years, and last year was 2nd vice-president. He has been a member of the executive committee and chairman of the public relations committee.

Mr. Farley, saying that in his opinion the two worst problems are post-claim underwriting and advertising, ran over some of the principles involved.

As the afternoon session opened, E.

J. Faulkner, president of Woodmen

Accident, known throughout the busi-

ness as possibly the best man to rep-

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after the member in question has had opportunity to be heard in accordance with procedures established by the executive committee."

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Before adopting the constitutional changes and the advertising code, a whole morning was spent listening to four speakers describe the serious adverse public relations situation of the A&H business. Eugene M. Thore, general counsel of Life Insurance Assn. of America; Frank S. Vanderbrouk of Monarch Life; Robert H. Rydman, associate general counsel of the conference, and Jarvis Farley, secretary of Massachusetts Indemnity, handled this topic from four angles. It was clear after they had finished their talks that the business needed to take action on its own initiative.

Mr. Thore invited the conference, in conjunction with the bureau, to set up a Washington office, using the extra space LIA has available. He said the LIA staff will be happy to lend assistance and provide a guide through its own experience.

Mr. Vanderbrouk described the attitude newspapers and magazines have been taking as concerns A&H, and mentioned that the conference has accumulated more than 400 clippings on this subject in the last year, very few of which are complimentary.

Mr. Rydman outlined the political pressures exerted on insurance commissioners to take action when newspapers or local representatives of the public raise a howl about alleged "swindling" or cancellations, or other such matters.

Mr. Farley, saying that in his opinion the two worst problems are post-claim underwriting and advertising, ran over some of the principles involved.

As the afternoon session opened, E. J. Faulkner, president of Woodmen

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## Dwelling Rates in Col. Draw Agent Protest

(CONTINUED FROM PAGE 1) in two or three tables have figures indicating the company is cutting its rates less than what it is taking out of the broker's commission.

Accompanying the North America reduction was a switch in rating method under which in Marin county the company has three classifications: Dwellings within 750 feet of a public hydrant and within two miles of a fire department which will respond; dwellings within three miles of a fire department that will respond, and all other dwellings. The rating bureau uses the National Board classifications.

The agents have expressed fears of a rate war if other companies in order to compete adopt the North America system. Mr. Johnson has asked Commissioner Maloney to determine if North America's independent rates are "destroying competition and creating a monopoly," and to investigate the action of the agent advising policyholders to switch to North America.

David L. Fredenburg of Novato, Marin county, is the agent in question. He has said his purpose in sending the letter was to sell insurance and to give policyholders in the area the benefit of lower rates.

In Marin county, North America is writing many unprotected dwellings at a rate nearly 50% under that of the bureau. The agents asked Mr. Johnson to meet with them to consider the situation. The agents should avoid taking retaliatory measures against North America, Mr. Johnson advised, saying this would not best serve the interest of the public or the agency system.

Mr. Johnson had a session with the officers of the California association, and then met with Commissioner Maloney. He asked the commissioner to take such action as necessary "so that the public would not be misled in the future" by such statements as contained in Mr. Fredenburg's letter, and asked for an investigation of North America rates. He explained that the agents' questions are only about those North America rates which are approximately 50% lower than bureau rates; that there is no relation between the North America commission reductions and the questions, and that the agents are not attempting to lessen reasonable competition for dwelling insurance.

For many years there have been a variety of independent rates for dwelling business in California, but it is only when the variation reaches the point now established by North America that the agents believe that either the rate for unprotected dwellings is unreasonably low (the North America rate), or that the rate of the Pacific Fire Rating Bureau is unreasonably high, Mr. Johnson said.

Ever since North America resigned as a dwelling subscriber to the rating bureau, there have been efforts on all sides to avoid any public controversy.

The bureau has announced a reduction of from 10 to 25% on a number of other risks, effective May 1. These include banks, churches, garages, hospitals, offices and service stations, as well as frame schools, fire proof hotels, brick and frame printers and newspapers, frame retail and wholesale store buildings, and the contents of brick and frame retail and wholesale stores (except food handling risks). Sprinklered risks are not included.

At the same time, F. F. Owen, resident vice-president of North America at San Francisco, said that his company is outlining a new plan for rating hospitals, churches and schools, which will result in a reduction of 25% throughout the state. North America has also withdrawn from the bureau for these classes, effective May 10, and nurses and sisters homes were added to the termination effective May 17.

The bureau estimates premium savings are its latest reductions at \$2,750,000 a year, and if this is added to the reductions on dwellings, announced last month, the total reduction would be between \$6 and 7 million.

The California department has assigned an investigator to look into the letter which evoked the protest from the California agents in Marin county, and Commissioner Maloney has explained his only means of enforcement on the rating matter is through examination. He said North America can expect to be examined and called upon to justify its rates.

## Home Advances Ely, Peterson, Several Others

(CONTINUED FROM PAGE 1) ler. He was named a director in 1951. He has filled numerous executive posts in many of the business's important organizations.

Mr. Ely joined Home in 1920, and was subsequently made an adjuster at the head office. In 1930 he transferred to the Long Island field office as a staff adjuster where he later became state agent. Mr. Ely was appointed general adjuster in 1943, assistant secretary in 1947, secretary in 1950, and assistant vice-president in 1953. He was elected president of Loss Executive's Assn. this year.

Mr. Typermass, who served as deputy superintendent of New York insurance department, joined Home in 1950 as general manager of its metropolitan department. In 1952 he was elected assistant secretary and in 1953 secretary and assistant controller.

Mr. Cook joined the company in 1930 as a special agent in Richmond. In 1940 he became state agent in West Virginia, supervising company operations in that field. In 1945 he was made manager at Charlotte and in 1949 was appointed resident secretary there. In the latter capacity, he also supervised the southeastern farm department of home.

Mr. Holland entered the business Home in 1948, as assistant manager of in 1953 as an underwriter. He joined the all risks department. In 1951 he became manager of the metropolitan and suburban marine department.

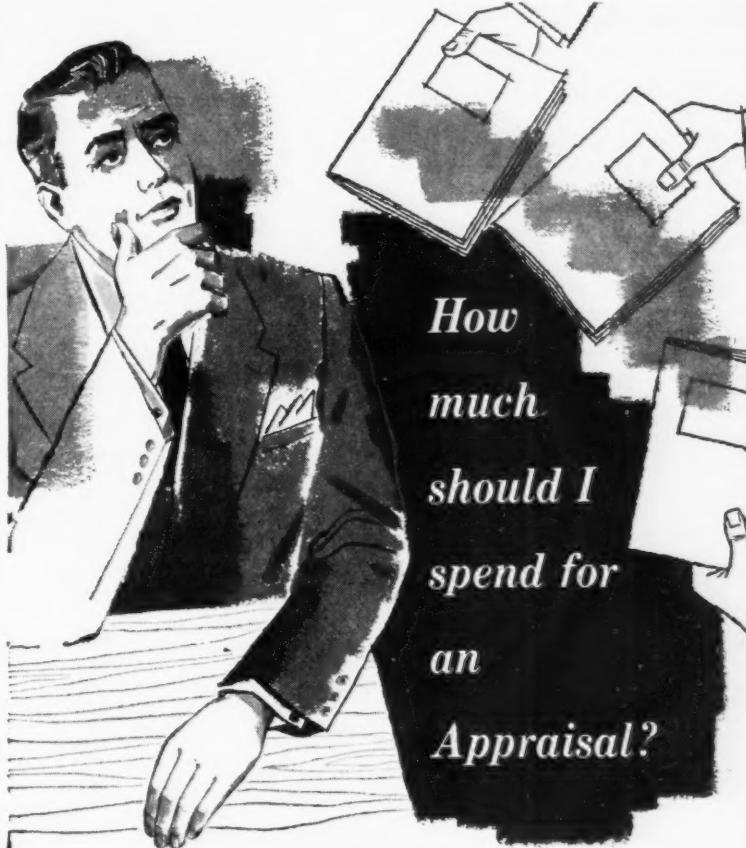
## Winter Philadelphia Speaker

Mariners Club of Philadelphia at the May meeting had a large turn-out to hear William D. Winter, retired president of Atlantic Mutual and chairman of that company's executive committee, give an address on "The Multiple Line Concept."

## New Board at Trenton, Mo.

A new local board has been set up in Trenton, Mo., with G. H. McCullough as president, Julian D. Pyatt vice-president and W. J. Clark secretary-treasurer.

Austin T. Fleet, who is a broker with the W. A. Alexander & Co. agency of Chicago and has made quite a name for himself in campaigning against the mutuals, addressed the Tampa (Fla.) Kiwanis Club this week.



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## New York Agents Hear Public Relations Talks

(CONTINUED FROM PAGE 7) certainly in the interest of this particular customer, an insurer should not be allowed to get away with such treatment of insured even if it is an assigned risk.

William F. Stanz of Brooklyn discussed the practice of public authorities, particularly school boards, of requiring, as a condition of bidding for a particular job that the final bond must be provided through certain designated insurers, agents or brokers. This violates the principle of freedom of choice, he said, and is a practice that has been widely condemned by architects, contractors and sureties. He said he thought the contractor should have freedom of choice in his use of surety.

Richard C. Wagner of Assn. of Cas-

uity & Surety Cos. told the convention that the companies are continuing their efforts to devise a sound alternative program to compulsory automobile.

O. J. McClure, president of McClure Talking Pictures, Chicago, discussed the art of salesmanship.

Massachusetts Bonding conducted a driver educational clinic during the convention where agents could check their physical driving characteristics on the company's new equipment.

## Brokers See Possible Precedent for Piracy in Duane Jones Decision

The New York court of appeals decision in the widely-publicized Duane Jones advertising agency case strengthens an insurance agency's right against piracy by its employees, in the opinion of National Assn. of Insurance Brokers, which has issued a memorandum on the case as a result of inquiries by its members.

"In our opinion," the memorandum states "the case of Duane Jones Advertising Agency vs. Burke, 306, N. Y. 172, when added to the general corporation law concerning the standard of conduct required of one acting as an agent or employee of another, would be a strong precedent in any case involving similar facts in the insurance field."

In holding certain ex-employees of the firm liable to their former employer for damages caused by taking away accounts which rightfully belonged to the employer, the court ruled, "An injury to a person's business by procuring others not to deal with him or by getting away his customers, if unlawful means are employed, such as fraud or intimidation, or if done without justifiable cause, is an actionable wrong."

The association, however, noted that the case did not pass on whether an employee may, while still employed, solicit for his own benefit customers who were originally brought to the employer-firm by him, either when he was hired or at some time during his employment. "This question never has been adequately passed upon by the New York courts," the memorandum said.

It adds that a question closely connected with the Duane Jones case is whether, after termination of employment, a man may solicit customers of his former employer without liability. In the absence of a written contract to the contrary or the existence of fraud, existing cases indicate such a solicitation is proper, it was said.

### Burgess to Buckeye Board

Frank Burgess, treasurer of Buckeye Union Fire and Buckeye Union Casualty, has been elected a member of the board of both companies and of the executive committee of Ohio State Life.

### St. Paul Co. to Write Fire

ST. PAUL—Casualty Underwriters, Inc., owned and managed by local agents, has been authorized to write fire insurance and will begin on June 1. The company has been writing automobile, general casualty and WC lines. All officers were re-elected at the annual meeting.

### Managers Meet at Stevens Point

Hardware Mutual's district managers are meeting this week with home office executives at Stevens Point, Wis.

Exhibits by *Liberty Mutual* and *Bankers Life & Casualty* are being displayed this week at the spring meeting of the president's committee on employment of the physically handicapped at Washington, D. C.

In charge of *Liberty Mutual's* exhibit is Scott Allen, and H. Clyde Reeves, *Bankers L&C.* vice-president, is directing that company's display.

## Convention Dates

May 14, Ohio Assn. of A&H Underwriters, annual sales congress, Columbus.

May 14-15, Oklahoma Agents, annual, Mayo hotel, Tulsa.

May 14-15, Texas Agents, annual, Texas hotel, Fort Worth.

May 17-19, American Assn. of Managing General Agents, annual, Chamberlin hotel, Old Point Comfort, Va.

May 17-21, National Fire Protection Assn., annual, Hotel Statler, Washington, D. C.

May 19, National Automobile Underwriters Assn., New York City.

May 19, Midwestern Independent Statistical Service, LaSalle hotel, Chicago.

May 19-21, Georgia Agents, annual, General Oglethorpe hotel, Savannah.

May 19-21, North Carolina Agents, annual, Pinehurst.

May 20-21, Arkansas Agents, annual, Arlington hotel, Hot Springs.

May 20-22, Mississippi Agents, annual, Edgewater hotel, Edgewater Park, Miss.

May 24-26, American Management Assn., insurance division, Hotel Statler, New York City.

May 24-26, Virginia Agents, annual, Cavalier Club, Virginia Beach.

June 5, NAIC zone 4, Sheraton-Cadillac hotel, Detroit.

June 7-9, Southeastern Underwriters Assn., annual, Hot Springs, Va., the Homestead.

June 7-11, National Assn. of Insurance Commissioners, annual, Sheraton-Cadillac hotel, Detroit.

June 10-11, Missouri Assn. of Mutual Insurance Agents, Chase hotel, St. Louis.

June 12-16, International Assn. of A & H Underwriters, annual, Omaha.

June 13-15, Insurance Advertising Conference, annual, Montauk Point, N. Y.

June 14-15, Eastern Underwriters Assn., mid-year, Farragut hotel, Rye Beach, N. H.

June 14-16, Annual: Michigan Fire Underwriters Assn., Michigan Blue Goose, Michigan State Fire Prevention Assn.

June 17-18, National Assn. of Public Insurance Adjusters, annual, Roosevelt Hotel, New York City.

June 17-18, National Assn. of Public Insurance Adjusters annual, Roosevelt hotel, New York City.

June 21, Connecticut Agents, midyear, Hotel Griswold, Groton.

June 21-22, Wisconsin Assn. of Mutual Insurance Agents, annual Siebeneck hotel, Elkhart Lake, Wis.

June 24-26, National Assn. of Independent Insurance Adjusters, annual, Claridge hotel, Atlantic City.

Aug. 11-14, Federation of Insurance Counsel, Schroeder hotel, Milwaukee.

Aug. 15-17, Wyoming Agents, annual, Crescent hotel, Sheridan.

Aug. 29-31, Washington Agents, annual, Davenport hotel, Spokane.

Sept. 1-3, Oregon Agents, annual, Klamath Falls.

Sept. 10-12, New Mexico Agents, Alamogordo hotel, Albuquerque.

Sept. 11-14, Pennsylvania Agents, annual, Bellevue-Stratford hotel, Philadelphia.

Sept. 13, Vermont Agents, annual, Equinox House, Manchester.

Sept. 13-15, International Claim Assn., annual, Wentworth By-the-Sea, Portsmouth, N. H.

Sept. 16-17, Minnesota Agents, annual, Hotel Duluth, Duluth.

Sept. 17-18, Louisiana Assn. of Mutual Insurance Agents, annual, Lake Charles, La.

Sept. 17-18, New Jersey Agents, annual, Haddon Hall hotel, Atlantic City.

Sept. 17-18, Texas Assn. of Mutual Insurance Agents, San Antonio.

Sept. 19-22, Idaho Agents, annual, Sun Valley.

Sept. 21-24, Mutual Loss Research Bureau, mutual loss managers' conference, Statler hotel, New York City.

Sept. 27-30, Western Underwriters Assn., semi-annual, 75th anniversary, Greenbrier hotel, White Sulphur Springs, W. Va.

Sept. 29-Oct. 1, National Society of Chartered Property and Casualty Underwriters, annual, Palmer House, Chicago.

Oct. 4-7, National Assn. of Insurance Agents, annual, Conrad Hilton hotel, Chicago.

Oct. 16-19, Arizona Agents, annual, Pioneer hotel, Tucson.

Oct. 18, Rhode Island Agents, annual, Sheraton-Biltmore hotel, Providence.

Oct. 18-19, Arizona Agents, annual, Tucson.

Oct. 18-20, Wisconsin Agents, annual, Hotel Schroeder.

Oct. 20-22, Insurance Accountants Assn., annual, Hotel Kenmore, Boston.

Oct. 24-26, Missouri Agents, annual, Sheraton hotel, St. Louis.

Oct. 25-27, California Agents, annual, Palace hotel, San Francisco.

Oct. 28, Connecticut Agents, annual, Hotel Statler, Hartford.

Nov. 9-10, Mutual Insurance Agents of New England, annual Boston.

Nov. 15-17, Indiana Agents, annual, Claypool hotel, Indianapolis.

Nov. 29-Dec. 1, Southeastern Underwriters Assn., semi-annual, Pinehurst, N. C., Carolina hotel.

## Edward Westphal Named Wisconsin CPCU Head

Wisconsin CPCU chapter has elected Edward Westphal of the Gustav E. Schwarm agency, president to succeed Raymond R. Swaziek, Marketmens Mutual, who is retained on the board. John G. Maloney, Merchants and Business Mens state agent, is now vice-president, and Richard M. Evans, of William C. Bradt & Son, Inc., secretary-treasurer.

St. Louis Blue Goose will hold its annual meeting and initiation May 10.

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## National Bureau Renames Officers at Annual Meeting

NEW YORK—At its annual meeting here National Bureau of Casualty Underwriters reelected William Leslie



James M. Cahill



William Leslie

general manager and James M. Cahill secretary. Other officers were re-appointed.

The constitution was amended to provide for an increase in the executive committee from a maximum of 10 to a maximum of 15.

New members on the executive committee are Fidelity & Casualty, Great American Indemnity, Home Indemnity, London & Lancashire Indemnity, Maryland Casualty, Massachusetts Bonding, Ocean Accident, Sun Indemnity, Travelers, and U.S.F. & G.

New members on other committees are Century Indemnity and Home Indemnity on legal; Great American Indemnity and Standard Accident on statistical; American, Glens Falls Indemnity, Royal-Liverpool and Standard Accident on auto rating; American, American Surety, Commercial and Travelers Indemnity on burglary rating; Aetna Casualty, American Surety, and Hartford Accident on general liability rating and Fidelity & Deposit, Maryland Casualty, Royal-Liverpool and U.S.F. & G. on glass rating.

### Higher Medical Expense Limit OK'd by Senate Unit

WASHINGTON—Senate finance committee is reported to have decided in executive session in favor of increasing the medical expense deduction to above 3% of income instead of above 5%, as in present law, and in favor of doubling the top figure on such deductions to \$2,500 in the case of an individual and \$10,000 per family.

### Crafts Gets 10,000 Share Option of Fireman's Fund

LOS ANGELES—Commissioner Malone has issued a permit to Fireman's Fund to sell 10,000 shares of its capital stock to President James F. Crafts under an optional agreement.

The permit, which expires March 31, 1968, establishes a price of \$55 per share for the \$2.50 par value stock. Bid price of the stock last week was 58 1/2.

The largest stockholder of Fireman's Fund, individual or institutional, is Insurance Securities, trust fund of Oakland whose holdings amounting to 18,000 shares.

The trust fund, established in 1938, is said to be the largest stockholder in some 56 important insurers. As of April 1, its assets totalled about \$100 million—all invested in insurance companies.

Participation in the funds is in the form of a 10-year agreement issued for a minimum of \$1,000 single payment or \$1,200 accumulative payments. A

"creation" of 8.8% is charged, plus a moderate trustee's fee. After the end of the 10 years the cash value is paid, although it may be sold for a net asset value at any time. The first participating agreement began maturing in 1948 and reportedly paid a profit of 100 to 150%.

Investment Securities is planning to construct its own head office building at Oakland.

### State Farm Takes Policy Fee Issue to Court in La.

State Farm Mutual Auto has taken to court the decision of Louisiana rating commission disapproving its use of membership fees. The appeal was filed with district court, which set a trial date of June 4.

The rating commission on April 14 permitted State Farm to deviate 25% from the state's mandatory automobile rates. This was the first approval of a deviation filing in the history of the state, but at the same time the commission denied the company the use of its standard membership fee plan. State Farm was permitted to charge equal semi-annual installments at no extra cost to the policyholder.

State Farm asks that the ruling on membership fees be reversed, but that the rating commission's decision on other points be affirmed. The petition says the membership fee issue was not before the commission for consideration, since the use of the membership plan had previously been approved by the casualty and surety division. Also, the company says, membership fees are specifically authorized by the Louisiana code.

The decision of the rating commission came on an appeal by State Farm from an earlier decision of the casualty and surety division, which had approved the membership fees, but had disapproved the deviation and held that semi-annual installments should take a surcharge of 10% of the annual rate.

### Dallas Agents Name Jack Curtis Manager

Jack L. Curtis of Dallas has been named executive secretary of Dallas Assn. of Insurance Agents to succeed Max Scheid, who resigned to open his own agency.

Mr. Curtis, who will also manage the Dallas Insurance Placement Board, has been in the insurance business in Dallas for seven years, six of them as special agent for Aetna Casualty and one as insurance manager for Lewis Grinnan Co. A 1941 graduate of Baylor University law school, Mr. Curtis was a member of the army intelligence corps and has served as a border patrolman.

### Vernor Speaker at Ky. Fire Award Program

LOUISVILLE—One of the largest attendances on record turned out for the joint meeting of Kentucky Fire Prevention Assn. and Kentucky Fire Underwriters Assn. for the presentation of gold medal awards of National Board of Fire Underwriters to the Louisville Courier Journal-Times, and radio station WHAS-TV, in connection with their fire prevention cooperation during the past year and during fire prevention week.

Richard E. Vernor, manager of the fire prevention bureau, Western Underwriters Assn., made the presentation, as well as a general talk on fire prevention.

In addition to members of the two organizations, among those present were officials of Kentucky Inspection Bureau, insurance department, state fire marshal's office and the city fire department.

Richard W. Moher, president of Kentucky Fire Prevention Bureau, introduced the guests and Mr. Vernor.

Kansas State Fire Prevention Assn. inspected Russell in cooperation with insurance agents of Russell.

### Term Rule Applied to Contents in Tenn.

Mercantile stocks in Tennessee in stores where there are no sprinkler systems become subject to the term privilege June 1. The 20% discount for five years will result in annual savings of about \$1 million. Since only a small percentage of stores in the state are equipped with sprinklers, benefits will be extensive.

### Peerless Reinsurance Office Is in N. Y.

Peerless Casualty, whose home office is in Keene, N. H., does all of its casualty reinsurance business through the New York office at 32 Cliff street. The list of professional reinsurers in the May 6 issue listed the home office address.

### Distaffs to Honor Miss Wallin

Miss Lillian Wallin, office manager and superintendent of underwriting of Cox, Harvey & Miller, Chicago, will receive an award from Insurance Distaff Executives Assn. of Chicago Charter Member Fund at the association's annual meeting May 20. Guest speaker will be Miss Dorothy Bond, nationally known cartoonist.

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## Late News Bulletins . . .

(CONTINUED FROM PAGE 1)

agency insurers to get the benefits of a cash and carry transaction and streamlined procedures. By eliminating duplicate effort by company and agent the \$2.08 for collecting and accounting for the individual auto policy is practically eliminated. The 42 cent cost of policy writing is removed, and the \$2.43 cost to the agency of underwriting on renewal is materially minimized.

### Brewer, Haslam Elected

Herbert S. Brewer of Lockport and Kenneth W. Haslam, Rosedale, were elected directors-at-large and also to the executive committee of New York State Assn. of Insurance Agents at the meeting of directors which followed the annual convention in Syracuse.

### Henry Lane Joins W. A. Alexander

Henry K. Lane, who for nine years has been insurance manager for Marshall Field & Co., has joined W. A. Alexander & Co. agency of Chicago in the special risks division. He will assist in servicing the large corporate accounts of Alexander & Co. Mr. Lane has been prominent in the affairs of Mid-West Insurance Buyers Assn. of Chicago.

### Jarman Heads IM Claims Group

Francis Jarman of Atlas was elected president of Inland Marine Claims Assn. at the annual dinner meeting in New York City. Other officers are Charles P. Russ, Jr., of U. S. F. & G. vice-president, Robert L. Cherrington of American Surety, secretary, Paul Sheldon of Home, treasurer, and Theodore D. Davidson of T. D. Davidson & Co., and Ferd Gambichler of Norwich Union Fire, members of the auditing committee.

### Vermont, Connecticut Okay SHO

Connecticut and Vermont have approved the special home owners policy of Fireman's Fund group, effective May 10. The SHO in those two states is an endorsement rather than a form as in other states. The all risk loading in these two states is five cents. The form is on file and awaiting approval in New York, Maryland, Maine, District of Columbia and Rhode Island.

### Indemnification for Committee Members

Members of Compensation Rating & Inspection Bureau of New Jersey at the annual meeting May 18 in Newark will vote on adoption of a new rule which would provide indemnification for any bureau officer, member, or committee man. This would be against reasonable costs and expenses incurred defending any action, suit or proceeding to which he is made a party because of his bureau affiliation. An exception is in case of misconduct in performing of duties. The rule would be effective July 1 if voted and then approved by the insurance department.

The meeting will also vote on revision of the workmen's compensation assigned risk plan. The revision clarifies procedures and brings them up to date with practice. The bureau will elect a governing committee.

### Cliff B. Dye Heads Cleveland Board

Cleveland board has elected Cliff B. Dye president, Jack B. John, vice-president and Charles F. Williams trustee. Mr. Dye, who succeeds John W. Frazier, is a 1st vice-president of Brooks & Stafford agency and is a past chairman of the board's committee on rules. Mr. John, vice-president of W. F. Ryan agency, has been with that organization 24 years. He is chairman of the board's committee on liability and surety coverages.

### American F&C Votes to Double Shares

Stockholders of American Fire & Casualty of Orlando have approved an amendment to the charter, changing the authorized capital stock from 100,000 shares at \$10 per par to 200,000 at \$5 per value. President of the company, Walter L. Hays, also is president of the new Florida reinsurer, American Independent Re, of Orlando.

### Hope Slim for Bailing Out Broke Texas Lloyds

Ralph W. Hammonds, attorney in fact for Lloyds of North America, has confessed judgment in the suit by the state of Texas for temporary injunction and appointment of a receiver-ship. However, R. G. Rice, assistant attorney general, said he thought Mr. Hammonds had no authority to confess judgment for other underwriters in the firm because of the contention of the state that the firm was fraudulently organized. Two of the underwriters have notified the court that they are intervening in the case and want to be heard.

A motion earlier in the hearings by Mr. Hammonds to delay until May 31 to permit further efforts to save the company was turned down by Judge Betts at Austin. Agents at Houston and San Antonio and Austin are attempting to salvage the company, but so far have raised almost no money.

All plans for rehabilitation of Lloyds of North America would exclude Ham-

monds from any controlling interest, and Hammonds himself testified that because of his own personality and the antagonism of one or two persons in the insurance department he would never be able to head another insurance company in Texas.

Judge Betts said he hadn't been able to get anything out of the evidence except the hope that someone might put some money into the company to rein- sure the policyholders.

### Reynolds Succeeds Patton in Loyalty Group Post in Ill.

Donald R. Patton, state agent in central and southern Illinois for Firemen's and Girard of the Loyalty group, has resigned, and has been replaced by Wayne L. Reynolds. Mr. Reynolds was promoted from special agent to state agent. He has been in the same territory representing Firemen's and Girard as assistant to Mr. Patton. His headquarters will continue at Springfield.

### Bodman Is Named MLG of Kentucky Blue Goose

ST. LOUIS—Stanley L. Bodman, Marine Office manager, was installed as the new most loyal gander of St. Louis Blue Goose at the May meeting. He succeeds Earl S. Hannan of Western of Fort Scott.

The other new officers are: Supervisor of the flock, William H. Crandall, resident manager Aetna Fire group; custodian of the goslings, August E. F. Dierker, superintendent of the city department, Missouri Inspection Bureau; guardian of the pond, Joseph F. Lisy, manager Home group; keeper of the golden goose egg, George A. Allen, manager Western Adjustment, and wielder of the goose quill, G. W. Voshardt, assistant manager Western Adjustment.

Mr. Voshardt succeeds W. Ayton Cox of George D. Capen & Co., who held the wielder position for the past 10 years, the period of the greatest growth experienced by the St. Louis pond. Mr. Cox had asked to be relieved.

The meeting and initiation ceremonies were attended by some 150 ganders, and a class of 22 goslings took their first swim, raising the membership to an all-time high.

The speaker was Alex B. Young, special agent Hartford Fire and Citizens of Kansas City, grand supervisor of the flock for the International. He is scheduled for election as the most loyal grand gander at the International meeting to be held in San Francisco, Aug. 24-26.

Harry D. Crawford, Louisville Fire & Marine state agent, was presented with a 25-year pin.

### Atlas Appoints Herman Field Man for Wisconsin

H. O. Herman of the Chicago office of Atlas has been named as a field man in Wisconsin to succeed Howard W. Bailey, Jr., who recently resigned to go into the local agency business in Milwaukee.

Mr. Herman went with Atlas in 1946 after naval service and has had extensive training in the company's inland marine, brokerage and fire underwriting departments. His duties at Chicago also included handling Wisconsin business. He will make his headquarters at 759 North Milwaukee street, Milwaukee.

### Employers Reinsurance Has Excellent First Quarter

Employers Reinsurance in the first quarter of 1954 had one of its best reports in history, showing an operating gain on a statement basis of \$1,415,363 as compared with \$739,127 for 1953. Market value of securities appreciated \$602,620, while a year earlier there was a decrease of \$119,882.

Underwriting profit in the first quarter was \$539,896 against \$368,176, and investment income was \$286,320 against \$260,251. Surplus increased \$827,756 as against a gain of \$659,127

a year earlier. Net surplus March 31 was \$10,331,762, and surplus to policyholders was \$12,331,762, within \$500,000 of the high point in 1945.

There was good experience in all departments except miscellaneous PDL and boiler.

The March 31 statement showed assets of \$53,883,679 as compared with \$53,035,581 for Dec. 31.

Elmer T. Carl, who has been in the claim division for 29 years, was elected assistant vice-president.

### 100 Years in U. S. Are Reviewed in Northern of London's Statement

The 100th annual statement of the United States branch of Northern of London is actually an illustrated booklet containing a history of the company in the U. S. On the inside covers are maps—one of the United States showing the offices of Northern, and the other a map showing its offices and representatives in the rest of the world.

There are sections describing the growth of the country in the U. S., comments on the annual statement, on the operations of Northern, and on its relationships with producers.

### Agent-Owned Insurer at Cincinnati Shows Sturdy Growth, Ideas

Agency and selling problems were chief topics of discussion at the sales meeting of Cincinnati Insurance Co. last week.

R. A. Cosbey, general manager, talked on inland marine coverages and was chairman of a fire lines panel. Participating were H. M. Turner, Springfield, president; Willis Shearer, Marysville, and J. J. Schiff, Jr., secretary.

Mr. Schiff conducted a panel on agency management. Panel members were T. K. Boyd, Toledo, A. W. Henry, Lima, and R. C. Schiff, Cincinnati. President Turner supervised a sales discussion with R. C. Bell, Springfield, Glen Webb, Jr., Lima, Mr. Cosbey and John Schiff as speakers.

Superintendent W. A. Robinson and R. A. Trautman, chief rate analyst, of the Ohio insurance department, and W. T. Hockensmith, assistant insurance commissioner of Kentucky, attended the meeting.

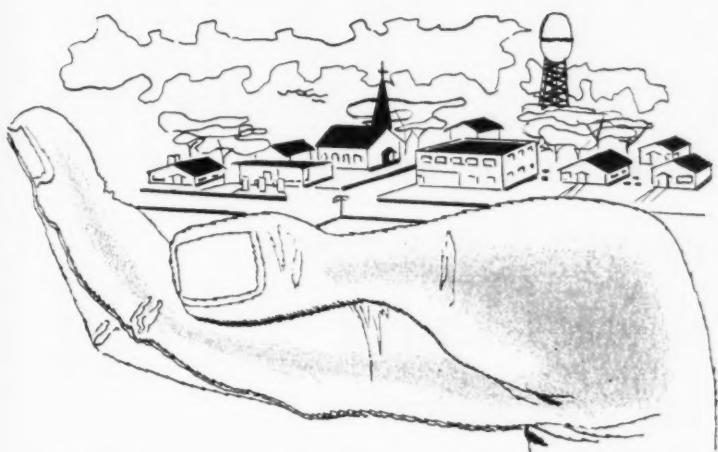
Cincinnati Insurance was incorporated in 1950, having been organized under sponsorship of the John J. Schill & Co. agency in Cincinnati, with the stock being owned by agents and agents comprising the board of directors. The company has had a sturdy growth, its agency plant being expanded more than 30% in the last year.

One of the factors in the growth of the company has been its imaginative marine underwriting, including a broader live stock and farm machinery floater, a form used to cover theft of building materials at the building site as well as in transit, and a personal property floater providing all risks coverage on unscheduled jewelry, watches and furs up to 10% of the unscheduled amount.



Commercial Union-Ocean group has moved its southern department offices into its new building at 1438 West Peachtree N. W., Atlanta, shown in the accompanying photograph.

## WHAT'S DEVELOPING IN YOUR TOWN?



A lot of business is developing . . . for agents recognizing the insurance needs of hobbyists and collectors. Camera enthusiasts, stamp collectors and other hobbyists often have tremendous amounts invested in their leisure interests—frequently are completely unaware of any need for special protection against loss. Hobbyist, collector, camera enthusiast or not . . . you'll always find the coverages you're looking for to fit your clients' needs through the Saint Paul Companies.

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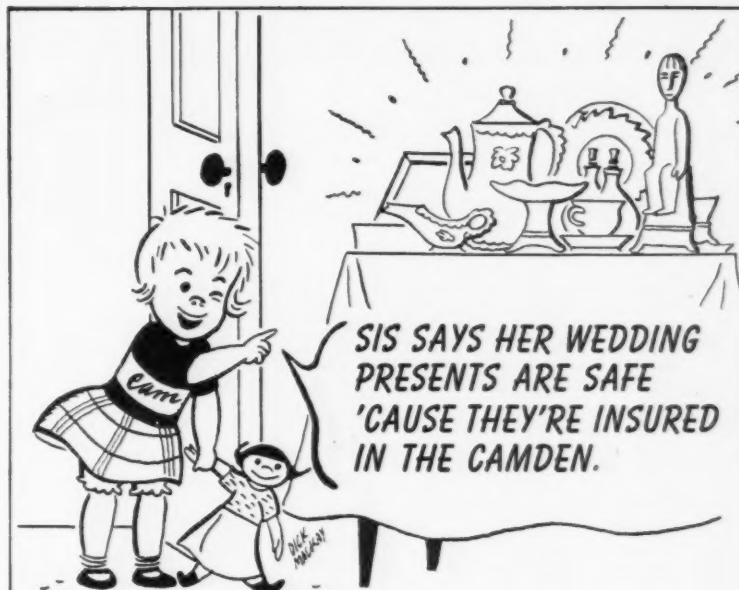
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IS MOST LIKELY  
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